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FAMILY SAVINGS: ANOTHER VICTIM OF INFLATION?

By Colien Hefferan[1]

Trends in Saving

During the last decade the average rate of household saving has been relatively stable near the 6 percent level, but during the past year it has diminished to less than 4 percent of disposable income.[2] Economists are mixed in their opinions of whether the recent decline in the saving rate is indicative of future trends or merely a shortrun adjustment to changing economic conditions. It is certain, however, that households are saving a smaller percentage of their disposable income than they have in the past and that a number of economic and social conditions, such as price changes, Federal and State regulations of financial instruments, population trends, and family characteristics, seem to be associated with this change.

Household saving rates are of concern to economists and home economists alike. For the economist, a change in the rate of household saving may signal a change in the rate of capital formation, economic expansion, or productivity gains. Also, the household saving rate may be an indicator of the overall efficiency of the economic system. For the home economist, a change in the rate of household saving may foretell a change in families' abilities to achieve their financial goals, enter or exit the housing market, or attain a sense of economic well-being. These concerns are closely interrelated. When the rate of economic expansion alters in response to household saving, the economic opportunities for household members may also alter. New job opportunities and advancement, product prices and availability, interest rates, and the supply of credit may all be affected by the rate of household saving. In turn, these factors affect the household's ability to save. What begins as a response to shortrun economic conditions can become a self-propelling determinant of the longrun economic climate.

Prices. The circumstance most often cited as related to changing rates of household saving is the overall level of prices. Theoretical and empirical work during the early and mid-1970's generally supported the notion that an increase in the general level of prices results in an increase in the rate of household saving *(4, 5, 6),* and that these price increases have both a direct and indirect effect on saving behavior. The direct effect is to increase uncertainty and thus increase the perceived need to save, and the indirect effect is to reduce the real value of currently held financial assets and thus further increase the perceived need to save. In other words, these findings suggest strong evidence of the positive effect of increased price levels on the rate of household saving.

Our experience during the last several years—the decline of the saving rate during a period of rising prices—appears to have contradicted this established relationship. Or has it? It may well be that an increased level of prices in and of itself does not generate the actual need on the part of households to increase their rate of saving. Rather, it is the uncertainty generated by increasing prices that increases the perceived need to save. At the point at which price increases become somewhat expected, the perceived need to save current income may somewhat diminish. Also, as price increases become more certain, the real value of currently held financial assets is perceived as likely to diminish. Consequently, transferring financial assets into real goods may be seen as rational behavior. All of this would result in a diminished rate of household saving.

Regulation and taxation. Controls on the interest paid to consumers on passbook savings accounts and certificates of deposit have been in effect since 1966 under Regulaton Q administered by the Federal bank regulatory agencies (Federal Reserve Board, Federal Home Loan Bank Board, Comptroller of the Currency, Federal Deposit Insurance Corporation, and the National Credit Union Administration). Regulation Q affords these agencies with rule-making power to establish ceiling

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[2]Measured in the National Income and Product Accounts *(8).*

interest rates, reserve requirements, terms, and conditions for savings accounts, including interest rate differentials favoring savings institutions over commercial banks. Consequently, the interest rates on low-risk, highly liquid, regulated savings instruments,[3] such as passbook accounts, have not risen to keep pace with the interest rates available on higher risk, less liquid, nonregulated savings instruments, such as certificate of deposit trusts. This widening differential in interest rates has been viewed as one factor that is associated with the diminishing rate of saving, especially among small savers such as low- and middle-income households. The table on p. 5 shows the pretax yields available on regulated and nonregulated savings instruments in 1979 and 1980. The period spanned in this table is one of intense volatility in the money markets.

On March 31, 1980, President Carter signed into law legislation that lifts government interest rate ceilings imposed under Regulation Q.[4] Under the new legislation, interest rate ceilings will be raised 2.25 percent within the next 6 years. This legislation passed after lengthy debate in several congressional committees including the Senate Committee on Banking, and the House of Representatives Subcommittee on Commerce, Consumer, and Monetary Affairs. The debate focused on the savings mechanisms available to small savers.

Proponents of deregulation argued that Regulation Q has cost small savers billions of dollars in foregone interest during the past year.[5] Further, they suggested that the below-market rates of interest offered on most regulated accounts were low enough to discourage saving and thus reduce the funds available for mortgage credit and general economic expansion. Those favoring Regulation Q argued that bank regulators have attempted to use Regulation Q to assure stability of interest rates on savings accounts over the business cycle, provide for adequate housing finance, and maintain the stability and structure of financial institutions. The final legislation, which slowly phases-out interest rate controls, coupled with other reforms in bank regulation, addresses the concerns of both groups.

Another issue raised in the congressional hearings into the small-saver question has been the taxation of interest on savings accounts. Several bills are now before Congress that would exempt a portion of the interest earned on savings accounts from Federal income taxation. Representative of these bills is an amendment to H.R. 5741[6] that would allow a family to earn $200 per year in tax-exempt interest on savings accounts. Proponents argue that this legislation not only would increase favorable tax status and stabilize account balances but also would increase the availability of mortgage funds. Opponents cite the argument that favorable tax treatment of interest earned on savings accounts would be more valuable to high-income taxpayers than to low-income taxpayers who are less likely to hold financial assets.

Aside from the controversy surrounding regulated savings instruments, there has been an expansion in the variety and availability of nonregulated savings instruments, such as money market certificates, diversified financial funds, and certificate of deposit trusts. There are some indications that these instruments have drawn funds from more highly regulated instruments, but there is no evi-

[3]In this paper the term "regulated savings instrument" refers to those savings mechanisms that have been subject to the provisions of Regulation Q. These included passbook savings accounts and certificates of deposit on which the interest rates, terms of withdrawal, and minimum time and amount are regulated. Nonregulated instruments include all other formal, institutional savings mechanisms, such as certificate of deposit trusts, bond funds, and treasury bills and notes. Although these nonregulated instruments may have been subject to some form of government regulation, they have not been subject to the provisions of Regulation Q.

[4]This legislation was included in H.R. 4986 and S.108, which provide for deregulation of several aspects of the banking industry including provisions lifting State usury ceilings on mortgage interest rates unless specifically reinstated by the States, authorizing the Federal Reserve System to require reserves from all banks, and allowing savings and loan associations to make consumer loans up to 20 percent of their assets.

[5]Estimations of interest dollars foregone are calculated on the basis of the difference between market rates of interest and regulated rates of interest multiplied by the dollar amount of balances held in regulated accounts.

[6]H.R. 5741 is entitled "The Mortgage Subsidy Bond and Interest Exclusion Tax Act." It has been reported out of the Ways and Means Committee and floor action is pending.

Yields on regulated and nonregulated savings instruments[1]

Instrument	Minimum amount	Pretax yield	
		Sept. 17, 1979	Jan. 2, 1980
	Dollars	*Percent*	
Regulated:			
Banks and thrift institutions:			
Passbook savings accounts[2]	None	5.25-5.50	5.25-5.50
Certificates of deposit[2]	100	5.5-8.25	[3] 5.5-8.25
6-month certificates	10,000	10.32	12.00
U.S. savings bonds (series EE) ..	25.00	6.5	[4] 7.0
Nonregulated:			
Treasury notes, bonds, and other obligations	1,000-10,000	10.75-11.25	11.25-12.60
Treasury bills:			
13 weeks	10,000	10.353	12.228
26 weeks	10,000	10.315	11.999
Money market funds	1,000-5,000	10.48-11.10	12.00-13.65
Municipal bond funds	1,000-10,000	5.04-6.81	5.31-7.30
Corporate bond funds	1,000-5,000	8.16-10.20	9.77-12.09
Certificate of deposit trusts ...	1,000	11.50	13.25

[1]Based on rates quoted and/or advertised in the Wall Street Journal.
[2]Subject to Regulation Q.
[3]Varies with the term of the certificate.
[4]At maturity (11 years).

dence that they have induced households to increase their rate of saving out of disposable income *(1)*.

Population trends. Population trends also have been related to the decline in the household saving rate. Taken together, the increasing proportion of our population comprised of older dissavers (those withdrawing funds from their financial reserves) and younger credit users may account, in part, for the currently diminished rate of household saving.

The U.S. League of Savings and Loan Associations reports that 68 percent of the savings deposits held in its members' thrift institutions are controlled by persons over 55 years of age (7). Many of these persons may be in the process of dissaving. These withdrawals may depress the overall rate of household saving.

Similarly, the use of credit, another form of dissaving, depresses the national average rate of household saving. The expanding use of credit, particularly among new households being formed by those persons born during the "baby boom" of the late 1940's and early 1950's, may further affect the saving rate.

Family characteristics. For assessment of the effect of changing family size, composition, and labor force participation on rates of household saving, national data documenting household saving patterns over time, as well as family characteristics are needed.[7] In the absence

[7]Throughout this section of the article, reference is made to cross-sectional and time-series data and analyses. Cross sectional refers to data collected at a single point in time and analyzed to reflect conditions at that time. Time series refers to data collected over time and analyzed to reflect changing conditions or trends.

of such comprehensive data sets, cross-sectional data have been analyzed to provide some insights into these relationships.

The Federal Reserve Board's 1977 Consumer Credit Survey reported the proportion of households holding financial assets *(2)*. Approximately three-fourths of all households held savings and checking accounts, one-third held bonds, and one-fourth held stocks or other securities. The survey results suggest that holding financial assets is related to the levels of household income and education and the occupation of the household head. Although the survey did not report the dollar level of assets accumulated in any one year, the authors noted an upward trend in the total dollar value of the assets held by households. This wealth-effect occurred in spite of the declining rate of household saving.

Analysis of cross-sectional data in the 1972-73 Consumer Expenditure Survey (CES) suggests that a number of household size and composition factors, as well as income and labor force characteristics, are associated with household saving behavior. In the CES, household saving is measured by change in the assets and liabilities held by the household, in other words, net worth change.[8] Analyses showed that 27 percent of the variance in change in net worth during the survey year is explained by the income, education, and occupation of the household head and the economic contribution of the wife to the household.

The most important determinant of household saving, as measured in the CES, is total household income. As family income increases, the average propensity to save increases. For example, households with a total annual income of less than $7,000 in 1972-73 tended to have a negative saving rate, whereas those earning $20,000 to $24,999 saved 9.3 percent of their total income. Use of the CES measure of household saving showed that the average propensity to save in 1972-73 among the sample population was 7.2 percent of total household income. That finding was not unexpected, but the importance of the wife's contribution to household income in explaining variance in household saving was surprising. When adjustment was made for income, the wife's contribution to household income significantly affected the average propensity to save. The greater the wife's contribution, the greater the rate of saving reported by the household.

Cross-sectional data from a sample of rural nonfarm households in central Pennsylvania were collected in a small pilot study. For households with similar incomes, single-earner families had a higher annual rate of accumulation of liquid financial assets than did multiple-earner families, but multiple-earner families increased their real net worth at a higher rate than did single-earner families *(3)*. In other words, families with high labor force participation rates acquired durables rather than financial assets. These findings cannot be generalized because of the nature of the sample population, but they may provide some insight into the manner in which saving is measured. Perhaps the household saving rate has diminished, as measured, because changing family size, composition, and labor force participation rates have led families to divert resources from liquid assets to durable assets. In other words, possibly the underlying propensity to save among households has not diminished, but rather families have found new ways to "save." Additionally, these families may be substituting open lines of credit for liquid savings accounts as financial reserves.

Implications for Families

Some economists have predicted that household saving will increase late in 1979 and early in 1980 as consumer spending declines *(9)*. Generally these predictions are based on movement in the Survey Research Center's Index of Consumer Confidence. There is no broad consensus with this forecast or any other prediction regarding consumer saving and spending in 1980. This lack of consensus results in part from lack of national, longitudinal data on household saving and wealth on

[8]The CES is designed primarily to measure expenditure patterns; therefore, use of the survey to analyze asset accumulation is inherently limited. The CES measure of change in net worth includes only financial assets and liabilities and it is not adjusted for change in purchasing power during the survey year. The CES measure is thus not necessarily comparable with other measures of household saving, such as that from the National Income and Product Accounts.

which to base predictions and in part on uncertainty as to the form of savings that households are currently using. Without information on how much is being saved or in what form it is being saved, prediction of future trends is extremely difficult.

In spite of this difficulty in prediction trends, the changing climate for household saving has several implications for families. First, as a general increase in the level of prices becomes more widely anticipated, families may be expected to divert savings from regulated instruments to nonregulated instruments and durable goods. This could expose family financial reserves to the high risk that is inherent in some nonregulated instruments and the low liquidity of durable goods. In other words, families may lessen their ability to respond to financial crisis quickly. Further, families may find that in making purchase decisions in advance of need for durable goods, they incur storage and maintenance costs that they would not have incurred had they saved in advance and purchased at the time of needs. Families should carefully evaluate increasing prices as a reason for changing saving patterns. Whereas in some situations changing saving patterns may enhance economic well-being, in others it may not.

Second, phased deregulation of savings account interest rates and conditions could present families with a new array of saving alternatives from which to choose. Although deregulation could increase interest rates in the short run and thus perhaps increase the rate of saving, it could also create more volatility in interest rates and thus diminish the ability of families to plan the growth of their financial reserves.

Finally, as family size decreases and more homemakers are gainfully employed, families may become somewhat insulated from certain financial crises, such as those arising from temporary unemployment or short-term illness of the breadwinner. This insulation might lead families to have an increased sense of financial security and a decreased perception of need to save.

As household saving becomes less predictable, so do other conditions in the economy. Family economic decisions, such as the decision to save, are directly related to the overall functioning of our economy. Therefore, factors that affect household saving rates, such as the level of prices, regulation and taxation of savings accounts, population trends, and family characteristics affect broad areas of the economy. These areas include the rate of economic growth, the level of employment, and the cost and availability of credit. Families should understand that their response to the changing climate for household saving does, in part, help to determine the economic climate in which they will operate in the future.

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FAMILY ADJUSTMENTS IN FINANCIAL MANAGEMENT

By M. Janice Hogan[1]

The decade of the eighties marks the beginning of an era of critical adjustments in financial management for many U.S. families. The consumer price spiral and the spot shortages of energy again and again signaled the attention of families. We ended the 1970's with new perceptions of economic scarcity and a growing awareness that our energy-intensive consumption patterns are too expensive to maintain.

Socialized as American families are to the belief that there is an endless supply of material and energy supplies, it is difficult for many to seriously consider values encompassing conservation. As the balance between income and expenditures, however, is disturbed, and as families face significantly higher fuel bills as well as larger price tags for other consumer goods, they will find new wisdom in the values of conservation, frugality, and eco-consciousness.[2]

In general, the adjustments that families may make in their financial management include (1) rescaling or changing the level of consumption, (2) increasing the efficiency of their resource use, and/or (3) expanding their income. Adjustment options will not be feasible in all families. For example, those families experiencing unemployment, divorce, health disabilities, and other crises may have little or no viable alternatives for adjustment in the near future. Also, financial adjustments will be constrained in those families who have already adopted a frugal pattern of consumption and live on a fixed income. Special programs and funds for special needs will continue to be needed for families with little or no options for financial adjustments.

Adjustment: Rescaling Consumption Patterns

The news releases about jumps in consumer prices have become regular household messages. In 1979, the Consumer Price Index rose more than 13 percent. The double-digit inflation rate, in part, reflects the cost of maintaining our energy-intensive life style.

Over the years, increased energy has been used to fuel the family vehicle(s) and heat and cool the family home(s). These direct uses of energy are very familiar since they are the target of most conservation programs. The increase in the price of utility (piped) gas, fuel oil, electricity, and gasoline has been dramatic. Based on February 1980 data reported by the Department of Labor *(9),* the cost of fuel oil has increased most, followed by utility gas, gasoline, and electricity. Fuel oil was indexed at 562, which meant that it took $562 to purchase fuel oil last year that sold for $100 in 1967; utility gas was indexed at 337, gasoline at 358, and electricity at 234.

The cost of fuel varies across the country (see table). For example, February 1980 utility gas per 100 therms sold for $30.33 in the Minneapolis-St. Paul area and $50.63 in the New York City area. Electricity sold for $10.80 in the Seattle area in contrast to $31.78 in Chicago and $45.79 in the New York City area. Fuel oil is not used as a major heating fuel in some cities and the price differences are relatively minor from one city to another. Rural families are more likely to heat with fuel oil, propane gas, and electricity than with the less expensive utility (piped) gas.

Although the increases in the price of utility gas, fuel oil, electricity, and gasoline have been sizable, direct energy is a relatively small item in average consumer expenditures. The Department of Labor estimates from the Consumer Expenditure Survey of 1972-73 indicate that 4 percent of consumers' annual expenditures were for fuels and utilities and that another 4 percent of expenditures were allocated to gasoline for private transportation *(8).* During the months of extreme temperatures, and in families with less than average

[1]Associate Professor of family social science, College of Home Economics, University of Minnesota. This article is condensed from a paper presented at the Agricultural Outlook Conference in November 1979 at Washington, D.C. Complete copies are available from the Family Economics Research Group (see p. 2 for address).

[2]An awareness of the relationship between people and their environment.

Average prices for utility (piped) gas, electricity, and fuel oil No. 2, February 1980

Area	Utility (piped) gas per 100 therms	Electricity per 500 kWh	Fuel oil No. 2 per gallon
U.S. city average[1]	$35.23	$27.70	$0.98
Chicago, Ill.-northwestern Ind.	36.82	31.78	1.01
Detroit, Mich.	34.25	27.54	.98
L.A.-Long Beach, Anaheim, Calif.	28.27	31.23	NA
N.Y., N.Y.-northeastern N.J.	50.63	45.79	1.00
Philadelphia, Pa.-N.J.	43.69	31.86	.95
Anchorage, Alaska	19.01	21.22	.95
Baltimore, Md.	39.84	28.77	.91
Boston, Mass.	50.05	31.67	.97
Cincinnati, Ohio-Ky.-Ind.	33.97	22.25	.95
Denver-Boulder, Colo.	32.40	25.57	NA
Miami, Fla.	45.85	27.42	NA
Milwaukee, Wis.	36.09	21.90	.96
Northeast Pennsylvania	39.75	22.97	.93
Portland, Oreg.-Wash.	49.44	18.77	1.01
St. Louis, Mo.-Ill.	37.33	23.33	NA
San Diego, Calif.	29.64	30.96	NA
Seattle-Everett, Wash.	48.13	10.80	1.03
Washington, D.C.-Md.-Va.	44.45	27.76	1.01
Atlanta, Ga.	36.13	23.24	NA
Buffalo, N.Y.	41.31	23.90	.99
Cleveland, Ohio	33.55	28.61	NA
Dallas-Fort Worth, Tex.	28.00	23.16	NA
Honolulu, Hawaii[2]	129.54	36.41	NA
Houston, Tex.	35.72	23.07	NA
Kansas City, Mo.-Kans.	25.77	25.97	NA
Minneapolis-St. Paul, Minn.-Wis.	30.33	24.00	.97
Pittsburgh, Pa.	31.91	27.36	NA
San Francisco-Oakland, Calif.	25.12	24.19	NA

[1]Honolulu not included for utility (piped) gas.
[2]Prices are for propane only.

Source: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Prices: Energy--February 1980, News, USDL-80-187.

income, however, the cost of heating or cooling the home is a much higher percentage of monthly income. For example, in a study of families in the Minneapolis-St. Paul area, some lower income families were spending about 8 percent of their after-tax income for utility gas; families heating with fuel oil would use an even higher percentage of their after-tax income *(5)*.

Consumers are less aware of the energy that is used to produce the goods they buy—indirect energy. Studies have found that the higher the family income, the greater the family's consumption of indirect energy *(2, 6)*. For example, energy is required for manufacturing material goods, such as microwave ovens, trash compactors, electric burger cookers, electric crepe sets, and stereo equipment. Although some household appliances do not require large amounts of energy to operate, they do require a great deal of energy for manufacturing and distribution. Easy care fabrics, convenience foods, and throw-away goods—such as Styrofoam[3] cups, paper towels, and disposable diapers—have diminished the amount of human energy (household labor) required. In exchange, we have increased the amount of fossil-fuel-based energy used for producing these "time savers." Indirect energy accounts for over half the energy the average family consumes.

Consumer expenditures for consumer goods have expanded year after year. The motivation for buying the litany of new appliances and household equipment does not appear to be closely linked to increased efficiency in household work but rather to satisfaction attributed to an accumulation of goods.

Although automatic washers, clothes dryers, dishwashers, garbage disposals, snow blowers, and other machines could decrease the amount of time and human energy needed for housework, families have offset some of the gains by changing their standards of "good living." For example, clothing is laundered more frequently because bathing is more frequent because there are larger water heaters with instant heat recovery and automatic laundry equipment. Also, we have continued to build larger homes with multiple bathrooms, creating more space to maintain; also, these homes have tended to be built in the suburbs so travel time increases too. The utility bills and gasoline expenditures reflect the change in standards.

Rescaling consumption patterns with a focus on reducing the consumer demand for energy is not easy. Energy-related decisions are present in just about everything we do. Families decisions to conserve energy directly include the temperature of their homes, the payoff for retrofitting (insulating, caulking, storm windows, and so forth), automobile use, cleanliness standards for laundry and bathing, cooking style, and efficient use of appliances. Indirect energy decisions include the choice of housing (size, location, single or multiple-attached dwelling, and so forth), the choice of automobile (number, size, options, energy efficiency), the life-cycle cost of appliances, type of clothing, choice of foods, vacations and recreation equipment, and gifts.

Readjusting consumption patterns are easier for some U.S. families, especially those who started implementing conservation behavior as a response to rising energy prices and found it a satisfying challenge. In the Minneapolis-St. Paul yearlong study of how families were adjusting to rising energy prices, families in both lower and upper income groups exhibited this attitude.[4] However, there was also a minority of families who were resisting conservation and were blaming government and industry for a "contrived" scarcity. Some families believed that the shortages were short term and were "trying out" conservation behavior to cope with escalating prices and shortages. Still another type of behavior was that of verbalizing conservation with families attempting to buy their way out of the situation by "adding-on" commodities, such as a microwave oven or a small car.

The issues involved in changing consumption patterns will be debated more fully in the coming years. The ever-increasing consump-

[3]Trade names are used in this publication solely for the purpose of providing specific information. Mention of a trade name does not constitute a guarantee or warranty of the product by the U.S. Department of Agriculture or an endorsement by the Department over other products not mentioned.

[4]The study is of 40 families, equal numbers in lower and upper income levels; they were matched for family composition and age of dwelling. Data were collected in 1977-78 *(5)*.

wants for consumer goods insatiable? Can we distinguish between needs and wants? Can we improve the quality of living by scaling down the consumption of selected consumer goods? How will the market respond to changing consumer demand? How much family members rescale their consumption and how they choose to substitute human skills for fossil fuel energy are strategic choices in the decade of the eighties.

Adjustment: Resource Efficiency and Interdependence

Increasing the efficiency of resource use can include repairing rather than replacing consumer goods, comparison shopping to buy goods, and reducing the amount of waste. Reduction of waste is an adjustment that most U.S. families could implement with a financial payoff.

A study of Tucson, Ariz., families' garbage by Harrison et al. *(3)* revealed that 9,500 tons of edible food were thrown out annually. Among those 9,500 tons of garbage were $570,000 worth of beef, $1,326,000 worth of vegetables, and $570,000 worth of pastries. Families may find that they can make better food-shopping decisions if they are committed to minimizing the edible food wasted.

Growth in self-reliance can also contribute to resource efficiency. In a study of how families were coping with inflation and recession in 1976, Caplovitz *(1)* reported that about half were repairing goods that they used to throw away and about 40 percent had discovered unused talent that they did not know they had, like fixing things themselves. Only 28 percent of the approximately 2,000 respondents showed no sign of increased self-reliance.

The adjustment of consumption patterns in the family, in part, rests upon a consensus of values. Although the family does not have one unified set of attitudes that commits each of its members to think and act alike, a network of common values will be necessary for adjustment plans to be successful. For example, conflict may be brought about by raising gasoline prices and the curtailment of some family members' use of the automobile. Decisions about changing the thermostat, as utility bills mandate a larger share of the family's income, may also create tension, especially if family members have strong temperature preferences. The allocation of money for insulation versus high utility bills may also be a difficult decision for families who are also considering a move in the near future. Finally, the issue of which family members will increase their labor in the household as a substitute for energy-intensive activities will be on the agenda of some families.

Sharing of resources requires mediating family differences; diverse values may result in conflict, active dissent, or opposition. To minimize the need to share, some families have worked toward independent consumption patterns. They have multiple cars, television sets, hair dryers, other durable goods, and homes with multiple bathrooms. To shift to an interdependent consumption pattern, one with increased sharing of resources, will require a basic change in values. Perhaps the most difficult adjustment that some family members have is the sharing of scarce resources with other family members.

Sharing resources within the family, with neighbors, and with others can take the form of carpooling, old-fashioned social activities, or using the school to organize classes in parenting skills. Are the happiest, healthiest, and best adjusted persons likely to be living in families and communities that consume the most or share the most? In the United States we use double the energy that is consumed in most European countries. Are we twice as happy?

Adjustment: Expanding Family Income

It is expected that as the cost of living increases, families will attempt to increase their income. In the Caplovitz study *(1)*, respondents were asked if they were combating rising prices by increasing income through any of the following strategies: The chief wage earner had taken a second job or had worked more overtime, or an additional member of the family was in the labor force. Only 4 percent held two jobs, 26 percent worked more overtime, and 16 percent reported having an additional member of the family enter the labor force. In some families, 38 percent were engaged in expanding income using one of the three strategies; conversely,

62 percent were not engaged in this type of income expansion.

The two-earner family trend will likely continue in the decade of the eighties. According to 1978 labor market reports, both spouses were earners in half of all husband-wife families *(4)*. The rate of employment among wives who have children under 18 increased during the seventies from 40 percent in 1970 to 50 percent in 1978.

With more wives in the labor market, the pressure to buy consumer goods and services as a trade-off for her labor in the household and the pressure on other family members to share the labor at home increased. Data indicate that employed women continue to reduce the number of hours they spend on household tasks, from 26 hours in 1965 to 21 hours in 1975 *(7)*. However, data from the same study indicate that there has not been a reciprocal shift by other family members in household labor. Robinson reported that husbands increased their time used for household work from 9 hours to 10 hours per week over the 10-year period. Although the change in the division of labor is not commensurate with the gap created by the wife's move into the labor market, the trend is in the right direction.

In comparison with dual-earner families, single-parent families have little income-expanding potential. Most single-parent families are headed by women, and women continue to earn less than men *(4)*. Of the more than 10 million children under 18 who live in single-parent families, 92 percent live in homes headed by women; if you focus on the children under 6 years, 95 percent live in such homes.

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ECONOMICS OF THE FAMILY: WHO MAXIMIZES WHAT?

By Marianne A. Ferber and Bonnie G. Birnbaum[1]

In the traditional family, the husband was the breadwinner while the wife stayed at home and baked the bread.[2] Today it is increasingly acceptable for the woman to work outside the home as well, especially before there are children and after they grow up. There is also evidence that the husband is beginning to "help" somewhat more with household chores, but essentially his responsibility is still to be the provider and hers to be the homemaker *(5)*. This presumably enables each to concentrate on what she or he does best, the family's welfare is maximized, and everyone lives happily forever after—or do they?

There are, in reality, a number of serious problems with the simple model underlying these conclusions.[3] It ignores the extent to which satisfaction (and dissatisfaction) is derived from work directly, not only from the consumption that work makes possible. The family is treated as though it did not change over time and children did not grow up and leave home. No attention is paid to the status of the individual within the family. Last, but not least, there is the implied assumption that the family is a permanent, indivisible unit.

The division of labor where spouses specialize completely in market and homework, respectively, has the disadvantage that any type of work is likely to become less pleasant and more tedious as one spends increasingly more time on it.[4] To the extent that variety is the spice of life, both husband and wife might find it more rewarding to share both types of work. She is likely to appreciate the opportunity to get out of the house and spend some of her time with other adults, whereas he may well enjoy the chance to get to know his children better.

The wife who devotes much or all of her working time to the household finds the value of her contribution declining sharply as children grow up and require less care. At that time she may well consider reentering the labor market.[5] During the years she was a full-time homemaker, however, her labor market skills became rusty. It may now be difficult for her to find work, let alone an interesting and well-paid position. The seriousness of this problem will vary according to occupational category and the length of absence from the labor market. Even though the wife who stays home when the children are young may maximize family well-being in the short run (during the early years of marriage), she is far less likely to do so in the long run (over the whole life cycle.).

A recent study of lifetime earnings of clerical workers with various patterns of labor force participation indicates that a woman with two children and a high school education reduces her lifetime earnings by 29 percent by dropping out of the labor market for 10 years. The comparable figure for a college graduate is 32 percent.[6]

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[2]What is viewed as the "traditional family" today actually has a rather brief history. In the days before industrialization, most production took place in family enterprises, small shops, businesses, and particularly farms. Although there was some specialization (the husband perhaps raising grain and looking after cattle while the wife grew vegetables and took care of chickens), the wife was nonetheless a partner, not a housewife in the modern sense. This is still true to a degree of farmwomen today but less so with the disappearance of mixed farming.

[3]This critique is based on Ferber and Birnbaum *(2)*.

[4]Although housework, and often market work as well, is itself heterogeneous, the differences between market and housework tend to be far greater than those within either category.

[5]The term reentry is used because the great majority of women today were in the labor market before their first child was born.

[6]Earnings of clerical workers with various patterns of labor force participation are reported in Ferber and Birnbaum *(3)*. Estimates of the value of the total contribution to the household of women with different patterns of labor force participation are reported in Ferber and Birnbaum *(4)*.

The losses in earnings are partially offset by the greater value of the woman's housework while she is out of the labor market. The market value of housework can be estimated using data from Robinson *(6)* to determine the difference in time spent and census data on earnings of housekeepers (with the same level of education as the women concerned) to estimate the value of that time. The total lifetime contribution (money income plus the market value of housework) of the high school graduate is nonetheless 18 percent lower, and of the college graduate 21 percent lower for a woman who interrupts employment for 10 years than for one who does not leave the labor force. The total lifetime contribution of a high school graduate who leaves the labor market permanently after the birth of her first child is reduced by 57 percent compared with one who never leaves the labor market. The comparable figure for a college graduate is 50 percent.

These estimates are based on a single occupational category and would clearly vary for other occupations. Since the earning profiles of clerical workers are relatively flat as compared, for instance, with those of most professionals, these estimates are rather conservative. The number of children would also affect the size of the gap, as would other individual variations in lifestyle. There can be no doubt, however, that the woman who continues to work outside the home makes a far larger contribution to the real income of the family (money income plus the market value of housework) than does the woman who spends any significant number of years as a full-time homemaker.

From the wife's point of view, it is also particularly unfortunate that the value of the homemaker to her family peaks at an early stage of the life cycle. A woman in her forties or fifties may well ask herself what she has done for her family lately. Worse than that, she may begin to wonder whether the same question is on their minds. During these years the husband's earnings typically continue to increase, especially if he is in management or one of the professions. In the family where the husband is the sole wage earner, he is generally also the dominant decisionmaker. The wife with no money income of her own is less likely to have her own charge or bank accounts and has less say on when and how money is to be spent or where the family is to live *(1)*. The relationship becomes more and more not one of two partners but that of the head of the household and a wife dependent on his economic contribution. It is easy to see what such a situation may do to her own perception of self-worth and her status within the family.

This brings us to the most serious problem: the dependent homemaker who must suddenly fend for herself. Most wives are sooner or later left without a husband, whether because of separation, divorce, or death. Others find themselves in a position, temporarily or permanently, where they have to try to support a husband who is unemployed or disabled. Such women, and their dependents, almost invariably find themselves faced by a severe reduction in their standard of living and are frequently confronted by dire poverty. The most common case is that of the divorced woman, generally with children, who collects little if any alimony or child support and rarely manages to improve her economic status significantly except through remarriage.[7]

The husband, too, is disadvantaged when he has done virtually no housework previously and must suddenly manage on his own. Since courts frequently do award alimony to a wife who is unable to support herself, he may also feel a financial pinch if he is one of the conscientious minority, or at least be inconvenienced by the legal maneuvers that are necessary to avoid making the payments. Nonetheless, his earning power remains the same and his work goes on as before, so that he is far less vulnerable than the woman who becomes a displaced homemaker.

In addition to the disadvantages to the couple of such specialization, there are costs to the taxpayer as well. The loss of job experience and depreciation of skills that accompany the long-term absence from the labor market make supporting her family difficult for a

[7]According to the U.S. Department of Commerce, Bureau of the Census, 1979, *Current Population Report*, "Divorce, child custody, and child support," Series P23, No. 84, the amount of child support paid to most women is small: two fifths received less than $1,000 during 1975 and three-fifths less than $1,500.

woman should the need arise. Hence, families headed by women constitute a substantial proportion of families in need of public support *(7)*.

On the basis of all these considerations, it can be concluded that complete specialization by husband and wife in market and housework, respectively, will not necessarily achieve optimal results for society, the family, or the husband. It is, however, the wife who most of all faces disadvantages and potential risks. She is deprived of the opportunity to lead what many consider a richer life by having more varied work experience. Although there are those who prefer full-time homemaking and though some market jobs are dull, monotonous, or even unpleasant, many nonetheless find the more varied work experience in the labor market more rewarding. Wives who stay home also fail to maintain or acquire skills that would enable them to make a greater contribution to family income during the long years when there are no small children in the home. In addition, the wife is at a disadvantage vis- á-vis the husband with regard to status and power within the family when her contribution to the household is relatively small and when she is far more economically dependent on her husband than vice versa. She may have to remain in an unhappy marriage and will be in an extremely vulnerable position if she has to fend for herself and often for her children as well.

Thus, it is hardly surprising that women increasingly reject the traditional housewife role and continue to enter the labor market in ever larger numbers. More than half of all married women with husbands present today work outside the home.[8] The explanation must be sought by examining the situation of the husband as well as the wife, since both affect the division of labor within the household.

As mentioned earlier, it is usually the woman who has the responsibility of looking after the household and caring for the children, whether or not she is in the labor market. The estimated total workweek[9] of a woman with two children who is employed 40 hours a week varies from 71 to 83 hours per week, or approximately double the standard workweek. The total time spent varies by age, spacing of children, and level of education, with college graduates spending more time on child care than the high school graduate. These totals tend to be downward biased, in that child-care time was counted only when it was a primary activity. Hours spent when the wife was primarily engaged in a leisure activity, but also looking after the children, are not included.

The burden of this double load can be reduced somewhat by substituting more goods and services purchased in the market for home production—switching to prepared foods, restaurant meals, and hired help for cleaning and child care. Planned spacing of children to accommodate the mother's work plans is also helpful. The dual role, however, will continue to present a formidable challenge for her as long as it is the wife who is (in the last analysis) responsible for the functioning of the household and the mother who must cope with childhood illnesses, unreliable help, and other domestic emergencies. Not all women have the determination, stamina, and good health required to cope with this.

The husband does not face these problems. He does little or no additional housework when the wife enters the labor market *(5)* and stands to gain from the additional income and financial security a second wage earner provides. Nonetheless, we find that men have a consistently less favorable attitude toward women working in the labor market than women do. According to data collected on young midwestern couples, 92 percent of the women, but only 60 percent of the men, agreed that the wife should work if the family needs money. Sixty percent of women and 82 percent of men agreed that if there are young children the wife should not work unless there is serious financial need *(1)*.

It may be that the husband values very highly the services he gets from the fulltime

[8]Often inflation is suggested as an important factor causing women to work outside the home, since higher prices have reduced real income. There are certain cases where this is so, but on the whole, real earnings of men have not declined over time.

[9]Estimates for total work week include 40 hours a week market work, 5 hours a week commuting time, and home production (child care and housework). Home production time estimates based on Robinson *(6)*.

homemaker. He may object to the small amount of additional household work he does or resent feeling guilty because he does not do more of it. More than likely some husbands also regret the loss of their dominant position. Whatever the reason, it is clear that wives cannot always count on moral support from their husbands, any more than they can count on their willingness to undertake an equal share of the housework. As long as this is so, they are confronted not with a choice of whether to do the housework or market work, but whether to do market work in addition to housework.

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DISPLACED HOMEMAKERS: CRITICAL NEEDS AND TRENDS

By Cynthia E. Marano, Sondra Levy, and Deborah Baylin[1]

Characteristics and Needs

The term "displaced homemaker" was coined in California in 1975 to describe the middle-aged woman "forcibly exiled" from her role as wife and mother and struggling to find a place in the current job market. Displaced homemakers become displaced through divorce, separation, widowhood, disability of their spouse, and termination of public assistance which allowed them to remain homemakers until their children reached 18. There are now more than 4 million displaced homemakers in the United States. With women living on the average 8 to 10 years longer than their spouses and with the divorce rate escalating, the number of households headed by displaced homemakers is growing rapidly *(5)*.

Socialized to believe that mariage would provide financial and emotional security "til death do us part," most displaced homemakers come to middle age unprepared for the transition to family breadwinner and head of household that often faces them. Most are ill-equipped to integrate readily into the competitive job market. Regardless of their former economic status, many displaced homemakers move rapidly into poverty. In a national survey of programs for displaced homemakers, the Displaced Homemaker's Network discovered that the annual income level for displaced homemaker-headed families rarely exceeds $5,000 after displacement *(1)*.

In coining the term "displaced homemaker" in 1975, Tish Sommers, a California-based organizer and advocate of older women, brought the picture of displaced homemakers into focus for the first time. Since then, the National Alliance for Displaced Homemakers and the Alliance's successor, the Displaced Homemakers' Network, Inc., (a coalition of nearly 300 displaced homemaker programs and more than 1,000 displaced homemakers and other supporters) have been working to pass State and Federal legislation that would provide monies for programs aimed at getting jobs for displaced homemakers.

The major needs of displaced homemakers are—

Assistance with personal difficulties. Before any progress can be made toward gainful employment, some progress must be made toward achieving a personal concept of self-worth. Many displaced homemakers devalue all their past experience and fail to recognize any marketable skills they might possess. These women must attempt to deal with personal feelings of anger, failure, and guilt. They are likely to feel powerless, tense, desperate, isolated, and alone. These feelings are intensified by the cumulative effect of trying to deal with several crises at once. Sudden singleness and drastic reduction of income reinforce their feelings of inadequacy and strain their capacity for coping.

Assistance with changing lifestyle. Women needing AFDC (Aid to Families With Dependent Children) or food stamps are terrified at the thought of dealing with a social security agency for the first time. Widows are frequently in danger of losing their homes and are faced with crucial business decisions with limited economic resources. Assistance in identifying and accepting available services is needed.

Assistance with economic problems. The displaced homemaker is often on the brink of financial disaster. Although the income of displaced homemakers rarely surpasses the poverty level, regardless of their former circumstances, the age of children, property owned, and so forth, often exempt the individual from being eligible to receive certain types of assistance. The problems encountered are uncollectible alimony or child support,

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inability to find paid employment, and the need to pursue training before employment can be sought. Less than 14 percent of divorcing women are ever awarded alimony in divorce settlements nationally. Fewer than 7 percent ever collect it regularly. About 46 percent of divorcing mothers are ever awarded child support, and far less than half that number receive those support monies on a regular basis, regardless of State and Federal mandates to the contrary *(5)*.

Assistance in finding a job. The typical displaced homemaker lacks employable job skills because (1) she has no previous employment outside the home or (2) job skills accrued earlier in life are now outdated. Skill levels are such that prospects of employment are at minimum wage or less. Many displaced homemakers experience 10 to 100 unsuccessful job applications and interviews before being hired for low-paid, dead-end jobs.

The employment picture in general is one where competition for jobs is high, but the situation is even more profound in regions that are primarily agricultural or rural. Considering the combination of poor employment prospects and age and sex discrimination, the job search is often a harrowing experience for the displaced homemaker. She may easily join the ranks of "discouraged" workers—those who want a job but are not looking because they believe they cannot find one. Women comprise two-thirds of this category nationally *(4)*.

The displaced homemaker needs to examine her past to build for the future; to recognize the skills acquired during homemaking, volunteer experience, education, and previous paid work experience; and to understand how to market these skills in the current job market.

The displaced homemaker also needs to know labor market conditions, employers who are expanding or cutting back, job skills in demand, and the scope of current job training programs with potential for women. She needs to know where entry level jobs may lead to upward mobility and which employers are serious about affirmative action. The women with child care requirements must know about alternative working arrangements, such as job sharing and flexitime.

The typical displaced homemaker is often unaware of training options available. Relationships need to be established with existing training institutions to provide displaced homemakers with more knowledge about and easier access to training programs. The training exploration process needs to include research into opportunities offered by—

- Comprehensive Employment Training Act (CETA).
- State Department of Vocational Education at vocation-technical schools and community colleges.
- The Work Incentive Program.
- Union apprenticeship programs.
- Nonunion skills training or aprenticeship programs.
- Private vocation schools.
- Title XX-sponsored senior citizen employment training programs.

Also, training programs need to be developed to prepare displaced homemakers for technical positions in those nontraditional fields for women that offer greater opportunities for better pay and upward mobility. These nontraditional fields, such as jobs in construction trades, skilled crafts, and occupations in science, law, engineering, and medicine, are areas traditionally dominated by and, in some instances, limited to men.

An essential component of the displaced homemaker programs must be job development. Training alone will be of little value if there are no jobs to fit the training or if displaced homemakers are excluded from the jobs that exist. Many employers are extremely reluctant to even consider an applicant who has had little paid work experience and who is an older woman.

Personal contact is needed with employers in the public and private sectors to make them aware of the potential job force that the displaced homemaker represents. There is also the need to identify current and future openings an employer might have and to be aware of future employment trends.

The Rural Displaced Homemaker

The average rural displaced homemaker is close to 40 years old, younger than her urban counterpart. She has an 11th grade education

and has two children who look to her for sole financial support. She has an income of about $375 per month on which she must maintain her family, often the result of public assistance until her children are 18. She has an older model car, often needing repairs. She is divorced. She usually needs training to enter the job market or, if employed, is generally underemployed in a low-paying, dead-end job and is not making enough money to support her children without assistance. Any crisis can cause her financial collapse, such as the car needing repair or critical home repair. She lives in an isolated rural setting in a home that is deteriorating and she has no access to public transportation *(3)*.

In many ways the problems facing the rural displaced homemaker are even more social than economic. There is still a social stigma attached to being a divorced or separated woman in a rural setting that is greater than that felt by the city dweller. The attitudes of most persons in rural areas are traditional with regard to family issues. Individuals and families are expected to handle their own problems. The displaced homemaker has often been dedicated totally to the survival of her family. She feels she is not supposed to ask for help—that she is supposed to "keep it in the family" and somehow put her life together again without help from professionals, who even if she sought help are at a great distance. The rural displaced homemaker carries not only her own feelings of anger, failure, and guilt, but having internalized her community's values, she sees herself as doubly guilty, and this double guilt is reinforced by the community's reaction to her. The welfare agency, for example, often reflects the traditional values of the community and has been known to use every legal means possible to delay or reject a woman's application for assistance. A displaced homemaker who is a newcomer to the area may be tolerated but not welcomed. There is pressure to maintain the community as is and pressure not to accept those who do not fit in *(4)*.

The cost of living is of real concern. Living in the country is not cheap. Although real estate and housing costs are lower than in a typical metropolitan area, they are offset by higher food, medical, transportation, and service costs. Fewer consumers and lower volume increase the cost of providing food and utility service. Major services are centralized in county seats, often requiring extensive travel. Rural women who have cars cannot afford repairs and insurance; they can barely afford gasoline and license plates. In small towns, heads of households typically commute more than 10 miles from home to find employment—even 50 to 60 miles to find adequately paying jobs, since the prevailing wage rate in rural areas is minimum wage or lower. The rural displaced homemaker cannot afford a car until she gets a job and she cannot get a job without a car *(4)*.

Obtaining adequate day care is a nightmare for the rural displaced homemaker returning to work. Day care centers subsidized by public funding are viewed as disruptive to family unity. Child care is seen as the parent's responsibility *(4)*. In rural areas there are occasional day care facilities, but often as much time is required to find suitable day care for children as to find a job.

The educational needs of rural women have received inadequate consideration. Rural displaced homemakers often have little or inadequate formal education. According to a research report published in 1978 *(2)*, only 55 percent of women 25 years and older and living in nonmetropolitan areas have completed high school or 1 or more years of additional schooling. This compares with 65 percent of the women in metropolitan areas *(2)*.

Rural areas typically have fewer and more costly health services than urban areas. Disease and mortality rates are higher for rural people than for the population at large, and physicians are more sparsely located. Rural areas have a disproportionately large share of the Nation's elderly, who often need more medical attention than younger people. Only 12 percent of the physicians, 18 percent of the nurses, and less than 4 percent of the psychiatrists live in rural areas *(2)*. Medicare and Medicaid do not pay the full cost of health services to the poor and do not reimburse clinics in rural and urban areas at the same rate for identical services. Private insurance coverage is often complicated and insufficient. Special services for women are notoriously lacking. Where adequate health services do exist, they are often either inaccessible or plagued by the perception that if a doctor were any

good he or she would not be practicing medicine in a rural area.

Despite recent gains in national consciousness about the rights of women, rural women continue to suffer unequal treatment under the law. Some new nondiscrimination laws—in employment, education, credit, housing, and public accommodations—have yet to be enforced in rural areas. Of particular concern to the rural displaced homemaker are the property and inheritance tax laws. If property is in the husband's name, the wife must show that she made valuable contribution to the property's worth to claim part of the property as her own. Because the court defines valuable contribution as "money or services other than those normally performed in the marriage relation," a homemaker divorcing a farmer may find herself in the dilemma of having no claim to the farm, even after spending years cooking, cleaning, and childrearing. Inheritance tax laws provide that where property is jointly owned by husband and wife, upon death of a spouse the surviving member must pay a death tax on the full estate unless it can be proved that the survivor contributed in *actual dollars* to building the estate *(6)*.

Addressing Rural Needs

About 20 percent of the displaced homemaker programs in the United States provide services to rural displaced homemakers. Such programs as the YWCA Displaced Homemaker Program in Grand Island, Nebr., the Pierce County Community Action Program for displaced homemakers in Tacoma, Wash., the CETA-based Displaced Homemaker Program in New Ulm, Minn., and the Carbondale, Ill., Women's Center Displaced Homemaker Program have all now been in existence for nearly 2 years and have experimented with targeting the rural population. In October 1978, a caucus of rural program providers met in Baltimore, Md., at the First National Training Conference on Displaced Homemakers to discuss model programs, the special needs of the population they serve, and the problems they encounter. They expressed concern about the different funding needs of rural programs—the need for more extensive budgets to deal with higher transportation and phone costs and support services. They expressed concern for the lack of training resources for rural displaced homemakers and the problems involved in job placement in rural areas, many of which suffer severe unemployment. They emphasized the need in rural areas to bring programs to where the women are, rather than to centralize services in one population area. They also pointed to the fact that rural homemakers tend to marry earlier than their urban counterparts and, therefore, may be displaced after 10 or more years of homemaking while still under 30 years of age.

The experiences of the ongoing rural programs have led to some understanding of what makes a rural program work for its participants. Some of these ideas are—

- Gain community support before developing a program. One method might be the forming of a task force with representatives from civic, social, and service organizations, as well as displaced homemakers.

- Use informal methods of advertising the service. Traditional publicity of the rural displaced homemaker program via newspaper, radio, and TV may not bring in displaced homemakers. A neighorhood advocate system, in which a person who has been helped by the program passes the message by word of mouth to others in her area, has been used successfully in rural programs. In rural areas there is no substitute for individual contact. Finding publicity contacts that are sympathetic to the cause is most helpful in spreading the word.

- Be flexible in the form and site of the program delivery. Although group sessions are a prime component of urban programs, other more individual forms of service are more effective in rural areas. Problems of time, distance, and money (especially for gas) make group sessions for rural displaced homemakers a low priority. Sharing problems with strangers is a brand new, and often frightening experience for these women, whose lives have been spent guarding family privacy. One-to-one career counseling is frequently the most successful way of servicing rural women, and out of necessity it might be given "long distance" by telephone. Because of distance problems, group sessions should be planned well in advance for an all-day period, rather

than the more traditional plan of several workshops scheduled for a single week. Individual followup by phone is an important second step after any group process.

Workshops and counseling sessions might be held in various local facilities, such as county libraries or church halls. Programs on college campuses sometimes frighten undereducated or timid displaced homemakers. A volunteer carpooling system could be developed to decrease transportation problems.

• Involve local agencies. Rapport should be developed with people in key local agencies and organizations to get the message of the program's existence and advantages to the women who are in need of it. Identify one individual in each existing service agency to act as a contact and resource person for the program. The contact and resource person could have the responsibility of tracking the progress of each displaced homemaker referred to his or her agency by the program and of increasing the awareness of individuals within that agency of the program and the displaced homemakers it serves.

• Use nontraditional approaches for job creation. Nontraditional job creation programs are important facets to be considered in rural displaced homemaker programs. With jobs hard to find and with high-demand occupations in rural areas largely male dominated, these programs provide options sorely needed in the rural environment. The skills acquired by rural women working side by side with their husbands, or doing the agricultural tasks while their husbands commute to a city job, translate effectively into nontraditional employment. Visits by displaced homemakers in the program to potential employers can help develop employment prospects. Employers would be afforded the chance to watch displaced homemakers operating in a professional capacity. Stereotypes and prejudicial attitudes, which might hinder their acceptance of displaced homemakers as employees, might thereby be eliminated. Also, the interaction would establish a linkage between the program and the employer for future job development. The transportation problem can be alleviated by training displaced homemakers for positions in county transportation systems.

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SINGLE-PARENT FAMILIES

By Beverly L. Johnson[1]

One of the striking changes in family structure since 1970 has been the increase in the number of one-parent families. In March 1979, nearly one of every five families with children under 18 was maintained by a single parent,[2] who was either divorced, separated, widowed, or never married compared with one of nine in 1970. The accelerated growth in the number of one-parent families during the 1970's—an increase of over 2½ million between 1970 and 1979—was far greater than that registered during the preceding two decades, 1950-70 (table 1) *(4)*. These 5.9 million single-parent families are of special concern because 2 out of every 5 have incomes below the poverty level compared with 1 of every 16 two-parent families.[3]

One-parent families are largely maintained by mothers; the 10 percent that are maintained by fathers rarely face the economic difficulties encountered by families with only a mother. The proportion of families below the poverty level that were maintained by a mother was nearly three times that of families maintained by a father only (42 and 15 percent, respectively).

Studies show that living in single-parent families often has enduring socioeconomic effects on children, such as tendencies toward future marital breakups, less formal education, and greater likelihood of juvenile delinquency *(1, 2, 9)*. Lack of longitudinal data sets, inadequate models of child development, and inadequate measures of the amount and quality of parent-child interactions restrict the conclusions that can be drawn from these studies *(8)*. Despite these problems, however, researchers in this area agree that it is the low income of single-parent families that affects the eventual socioeconomic status of the children.

The dramatic rise in the number of one-parent families during the 1970's occurred mainly among families maintained by women. The most prominent reason for this was the rising incidence of marital breakup.[4] Since 1970, the divorce rate in this country has increased from 3.5 per thousand population to 5.2 per thousand *(11, 13)*. (From 1950 to 1970, the rate of divorce only rose from 2.6 to 3.5 per thousand.) Another factor, but of less importance, has been the rising proportion of births outside of marriage. By 1975, 14 percent of all babies were born to unmarried women as compared with 4 percent in 1950. In part, this reflected increased childbearing among teenagers. In 1950, women under 20 bore 12 percent of all children, but by 1975, the proportion was 19 percent *(6, 12)*.

There is no specific evidence that these young mothers, whether married or never married, will eventually maintain their own family households. Yet a recent study, exploring the association between having a first birth as a teenager and later maintaining a family, found that early childbearing, whether of a teenage marriage or of a premarital birth, is a good predictor of a woman later becoming "the head of her family" *(6, p. 27)*.

Single parenthood has been defined as "a time between living in one nuclear family and another" *(8)*, but increasing numbers of children are born to single parents and may well remain in single-parent families throughout their childhood and adolescence. Children in one-parent families are not all products of broken homes; some may never have had the opportunity to be part of a two-parent family.

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[1]Office of Current Employment Analysis, Bureau of Labor Statistics, U.S. Department of Labor. This article is condensed from a paper presented at the Agricultural Outlook Conference in November 1979 at Washington, D.C. Complete copies are available from the Family Economics Research Group (see p. 2 for address).

[2]The term "single parent" refers to a person who is either never married, widowed, divorced, or separated and maintaining a family and residing with one or more own children under 18 years old who are related by blood, marriage, or adoption.

[3]Families are classified as being above or below the low income level according to the poverty index adopted by a Federal Interagency Committee in 1969. The poverty thresholds are updated every year to reflect changes in the Consumer Price Index. Thus, the poverty threshold for a nonfarm family of four headed by a woman was nearly $6,162 in 1977, about 6 percent higher than the 1976 cutoff of almost $5,800 *(10, p. 206.)*

[4]For detailed discussion on divorce, etc., see *3, 4, 5.*

Table 1. Families with own children under 18 years old, by type of family, selected years 1950-79

Year	All families with own children [1]	Married-couple families [2]	Single-parent families [3]			
			Total	Single-parent families as percentage of all families with children	Maintained by men [2]	Maintained by women
	Thousands	*Thousands*	*Thousands*	*Percent*	*Thousands*	*Thousands*
1950	19,847	18,316	1,531	7.7	275	1,256
1960	25,662	23,333	2,329	9.1	232	2,097
1970	28,669	25,412	3,257	11.4	333	2,924
1971	28,796	25,096	3,700	12.8	332	3,368
1972	29,461	25,492	3,969	13.5	368	3,601
1973	29,575	25,396	4,180	14.1	385	3,795
1974	29,763	25,289	4,474	15.0	394	4,080
1975	30,060	25,236	4,824	16.0	424	4,400
1976	30,177	25,110	5,067	16.8	446	4,621
1977	30,145	24,875	5,270	17.5	486	4,784
1978	30,369	24,625	5,745	18.9	539	5,206
1979	30,371	24,514	5,857	19.3	569	5,288

[1] Children are defined as "own" children of single-parent families. Included are never married sons, daughters, stepchildren, and adopted children. Excluded are other related children, such as grandchildren, nieces, nephews, cousins, and unrelated children.
[2] Includes men in Armed Forces living off post or with their families on post.
[3] Includes divorced, separated, widowed, or never married parents.

Labor Force

Accompanying the large increase in the number of mothers heading their own families have been large gains in the number who are working. In March 1979, the labor force participation rate of mothers maintaining families was 65.9 percent, up from 59.4 percent in March 1970 (table 2).

Although mothers maintaining their own families were far more likely to be in the labor force than those in two-parent families (66 compared with 50 percent), unemployment was far more prevalent among single-parent mothers. The unemployment rate for mothers maintaining their own families was 10.5 percent as compared with 6.2 percent for married mothers.

As might be expected, the labor force participation rate of mothers maintaining families varies with the age of the youngest child. About 56 percent of the mothers in single-parent families with children under 6 years were working or looking for work compared with about 72 percent of those with children 6 to 17 years.

Children in Single-Parent Families

Accompanying the rise in the number of single-parent families has been an extraordinary increase in the total number of children in these families. In March 1979, about 10.8 million children were living in single-parent families—a gain of over 3 million since 1970 (table 3).

Children in single-parent families are more likely to have working mothers than those in two-parent families. In March 1979, about 6 of 10 children living with their mother only had mothers in the labor force compared with 5 of 10 of those living with both parents. White

Table 2. Labor force status of single parents, by sex and age of own children under 18 years old, March 1970 and March 1979

Labor force status	March 1970: With own children under 18 years total[1]	March 1970: Children 6 to 17 years	March 1970: Children under 6 years	March 1979: With own children under 18 years total[1]	March 1979: Children 6 to 17 years	March 1979: Children under 6 years	Median income of families with own children under 18 years in 1978[1]
	Thousands						*Dollars*
Total single-parent families[2]	3,257	2,075	1,182	5,857	3,797	2,060	7,596
Families maintained by women	2,924	1,813	1,111	5,288	3,362	1,926	7,035
Mother in civilian labor force	1,736	1,215	521	3,486	2,406	1,080	8,945
Labor force participation rate (percent)	59.4	67.0	46.9	65.9	71.6	56.1	---
Employed	1,611	1,143	468	3,119	2,206	913	9,513
Unemployed	125	72	53	367	199	168	4,312
Unemployment rate (percent)	7.2	5.9	10.2	10.5	8.3	15.6	---
Mother not in labor force	1,188	598	590	1,802	957	845	4,151
Families maintained by men	333	262	71	569	435	134	14,589
Father in civilian labor force	304	237	67	496	375	121	16,481
Labor force participation rate (percent)	91.3	90.5	(3)	87.2	86.2	90.3	---
Employed	297	230	67	469	365	104	17,146
Unemployed	7	7	---	27	10	17	(3)
Unemployment rate (percent)	2.3	3.0	---	5.4	2.7	14.0	---
Father in Armed Forces	NA	NA	NA	10	4	6	(3)
Father not in labor force	29	25	4	64	56	7	(3)

[1]Children are defined as "own" children of single-parent families. Included are never married sons, daughters, stepchildren, and adopted children. Excluded are other related children, such as grandchildren, nieces, nephews, cousins, and unrelated children.

[2]Includes divorced, separated, widowed, or never married parents.

[3]Rate or median not shown where base is less than 75,000.

NA - not available.

children in single-parent families were far more likely to have working mothers than the black children—67 and 53 percent, respectively, in 1979. In contrast, only 49 percent of the white children in two-parent families had working mothers compared with 61 percent of the black children.

Education

A high proportion of mothers who maintain families have not completed high school and relatively few have completed college. In March 1979, 37 percent of these mothers had less than a high school education and just 6 percent had 4 years of college or more. Mothers in two-parent families tend to be far better educated; only 22 percent of married mothers had less than a high school education, whereas 13 percent were college graduates. A larger proportion of mothers maintaining families are blacks or Hispanic who have completed, on average, fewer years of school than whites.

Family Income

Women whose marriages end in divorce, separation, or death often experience substantial declines in their family income. In 1978, median income for single-parent families ($7,800) averaged only about 38 percent that of two-parent families, largely because families maintained by mothers had extremely low income. The average income of families maintained by the mother was only 34 percent that of two-parent families, whereas the median income for single-parent families maintained by the father was about 71 percent that of two-parent families.

Table 3. Number of own children under 18 years old in single-parent families by age and labor force status of mother, March 1970 and March 1979

[Numbers in thousands]

Item	Total children under 18		Children 6 to 17		Children under 6	
	1970	1979	1970	1979	1970	1979
Total children[1] under 18 years ...	65,755	58,537	46,149	41,556	19,606	16,981
Total children in single-parent families[2]	7,356	10,751	5,670	8,210	1,686	2,541
Families maintained by women	6,695	9,822	5,102	7,442	1,593	2,380
Mother in labor force	3,562	6,043	2,919	4,779	643	1,264
Mother not in labor force	3,133	3,779	2,183	2,663	950	1,116
Families maintained by men	661	929	568	768	93	161
WHITE						
Total children[1] under 18 years ...	56,903	49,557	39,963	35,114	16,940	14,443
Total children in single-parent families[2]	4,567	6,748	3,674	5,255	965	1,495
Families maintained by women	4,102	6,025	3,194	4,645	908	1,381
Mother in labor force	2,329	4,027	1,953	3,213	376	813
Mother not in labor force	1,773	1,999	1,241	1,432	532	567
Families maintained by men	465	723	480	610	57	114
BLACK						
Total children[1] under 18 years ...	8,054	7,764	5,673	5,619	2,381	2,145
Total children in single-parent families[2]	2,719	3,817	2,021	2,822	698	995
Families maintained by women	2,529	3,632	1,866	2,684	663	948
Mother in labor force	1,205	1,935	949	1,508	256	427
Mother not in labor force	1,324	1,697	917	1,177	407	520
Families maintained by men	190	185	155	138	35	47

[1]Children are defined as "own" children of single-parent families. Included are never married sons, daughters, stepchildren, and adopted children. Excluded are other related children, such as grandchildren, nieces, nephews, cousins, and unrelated children.
[2]Includes divorced, separated, widowed, or never married parents.

Several factors contributed to the income differences. Families maintained by mothers were less likely than the other families with children to have more than one earner. In 1977, 19 percent of these families had two or more earners compared with 28 percent of single-parent families maintained by fathers and 64 percent of two-parent families. Families maintained by the mother were more likely than other families to have preschool children in the home and thus restricted the labor force activity of their mothers. As noted earlier, a very high proportion of mothers in single-parent families had not completed high school, and low educational levels are usually associated with low labor force participation, high unemployment, and low pay.

Even when the mother was in the labor force, single-parent family income was likely to be considerably lower than that of either two-parent families or families maintained by fathers. Average income in 1978 of single-parent families with working mothers ($8,900) was 54 percent that of single-parent families with fathers in the labor force ($16,500) and only 40 percent that of two-parent families with working mothers ($22,200).

An exceedingly high proportion of families maintained by a mother had income below the poverty level *(10, pp. 83-86)* as shown below:

Poverty rate for families with children under 18 years, by race and Hispanic origin, 1977

	Total	White	Black	Hispanic[1]
	Percent			
Two-parent families	6.3	5.5	14.1	14.8
Single-parent families:				
Father only	14.8	11.3	21.4	NA
Mother only	41.8	33.8	57.6	60.3

[1]Hispanic origin may be of either race.

Many of the poor single-parent families maintained by a mother relied on public assistance to help support the daily needs of their members.

Aid to Families with Dependent Children (AFDC) is one of the major sources of income for mothers with no husbands. Of some 3.2 million mothers receiving AFDC assistance in 1977, well over 80 percent of them had no husband present in the home *(7)*. Most AFDC mothers do not work. Out of every 100 AFDC mothers, 41 were full-time homemakers, 7 were incapacitated for employment, 3 were receiving schooling or training, and 24 were not actively seeking work. Of the remaining 25 who were in the labor force, 11 were unemployed and 14 were employed.

The predominant occupations of the AFDC mothers who reported their employment were service and clerical jobs. Only a small proportion were in professional and managerial jobs, a situation largely attributable to the fact that a high proportion of AFDC mothers were not even high school graduates. In 1977, 60 percent of the AFDC mothers reporting their levels of education had not completed high school.

Race and Hispanic Origin

In March 1979, nearly half of all black families with children compared with one-fourth of all Hispanic and one-sixth of all white families were maintained by a single parent. Black families represented a disproportionate share of the total single-parent families in this country—30 of every 100 single-parent families were black compared with only 8 of every 100 two-parent families. Black and Hispanic single-parent families have lower average incomes than their white counterparts and are far more likely to be living below the poverty level. In addition, the single parent in black or Hispanic families was less likely to be in the labor force and more likely to be unemployed than the white single parent maintaining a family.

Marital status, age, family size, and education are major factors underlying differences in labor force participation among these racial and ethnic groups. White mothers were more likely to be divorced (50 percent compared with 24 and 30 percent, respectively, for black and Hispanic mothers), and divorced women have higher labor force participation rates than other women. Black and Hispanic mothers tend to be younger than white mothers maintaining families, and their children also tend to be younger and require more care. In addition, black and Hispanic mothers who were single parents had more children per

family than the white mothers in 1978, black mothers had 2.2 children per family compared with 2.0 for Hispanic and 1.8 for white mothers maintaining families. Hispanic mothers in these families tend to have considerably fewer years of schooling than whites or blacks, and, of course, education and labor force participation are closely tied together. In March 1979, one out of three Hispanic mothers maintaining families had 8 years or less schooling compared with about one out of seven of the black and one of nine white mothers maintaining families.

Unemployment was lower among white mothers maintaining families than among black or Hispanic and for much the same reasons that the white mothers' labor force participation was higher. In March 1979, the unemployment rate for white mothers was about 8.5 percent compared with 15.9 percent for black and 13.8 percent for Hispanic mothers.

As might be expected in view of the differences in labor force and unemloyment rates, white single-parent families maintained by a mother had higher incomes than either black or Hispanic families. Nevertheless, whether white, black, or Hispanic, the median income of families maintained by a mother was drastically below that of either single-parent families maintained by a father or two-parent families. Even when the mothers were in the labor force, the differences were acute, no matter what the race or ethnic origin of the mother.

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MILK AND MILK PRODUCTS—COST AND NUTRITIONAL RETURN

By Lorraine Jansen[1]

Milk and milk products are important sources of calcium. They provide about 60 percent of the calcium in diets of U.S. households. Cheese, yogurt, ice cream, as well as milk, both as a beverage and in cooking, can be used in the diet to provide calcium. Some forms of milk and milk products are more economical as providers of calcium than others. In this study, costs of amounts of various forms of milk and milk products required to provide the calcium found in 1 cup of whole milk are compared. Also, the food energy (calories), fat, and cholesterol content of calcium-equivalent portions of milk products are shown.

The cost of calcium from milk and milk products, based on prices in three Washington, D.C., supermarkets in January 1980, varied greatly (see table). Calcium from nonfat dry milk and skim milk cost the consumer less than the same amount of calcium from whole milk; calcium from lowfat milk and evaporated milk costs about the same as from whole milk. Most milk products are more expensive as sources of calcium than whole milk. The amount of some milk products—such as sour cream, blue cheese, cottage cheese, and cream cheese—necessary for the amount of calcium equivalent to a cup of whole milk costs 4 to 10 times as much as a cup of whole milk. These cost relationships are similar to those found in two previous studies (see *Family Economics Review,* December 1972 and Summer 1976).

A calcium-equivalent portion may be less or more than is usually eaten at one time. For example, only 5-1/2 ounces of plain lowfat yogurt are required to provide about the same amount of calcium as a cup of whole milk. On the other hand, cream cheese and cottage cheese are not so rich in calcium; 13 ounces of cream cheese or a pound of cottage cheese—much more than is usually eaten—are required to provide the calcium of a cup of milk. One reason why the cost of a calcium-equivalent portion is higher for foods, such as cream cheese and cottage cheese, is because the portion is so large. Other reasons a milk product may cost more than milk as a source of calcium are manufacturing costs and the cost of added ingredients.

Most foods that are economical substitutes for milk as sources of calcium are also good substitutes when considering the calorie, cholesterol, and fat contents of the calcium-equivalent portion. For those people who are concerned about limiting levels of these substances in their diet as well as cost, the use of skim and lowfat milk, buttermilk, and lowfat yogurt should be considered. One cup of skim milk, for example, provides the calcium present in 1 cup of whole milk. It also provides 86 calories, 0.4 grams of fat (of which 0.3 grams is saturated), and 4 milligrams of cholesterol. These values are all lower than those for 1 cup of whole milk—150 calories, 7.7 grams of fat (of which 5.1 grams is saturated), and 33 milligrams of cholesterol. However, calcium-equivalent portions of many products have higher calorie, fat, and cholesterol values than whole milk. An example is process American cheese. A calcium-equivalent portion of 1-2/3 ounces has 177 calories, 14 grams of total fat (9.3 grams of it saturated), and 45 milligrams of cholesterol. Also, cheese is notably high in sodium.

Prices of milk and milk products vary depending on the area, store, and time of purchase. To figure the local cost of calcium-equivalent portions in the table, substitute in column 5 the local prices for the market units in column 2. Then divide the prices in column 5 by the number of portions in column 4. For instance, suppose the local price of a half gallon of ice cream is $1.95; write "195" in column 5 and divide by the 4.8 portions listed in column 4. The result is 41 cents—the local cost of a calcium-equivalent portion of ice cream.

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Milk and milk products--cost (January 1980, Washington, D.C.) and calcium, calorie, fat, and cholesterol content

Milk product	Market unit	Portion that provides as much calcium as 1 cup of whole fluid milk	Calcium-equivalent portions per market unit	Price per market unit[1]	Cost of calcium-equivalent portion	Value per calcium-equivalent portion[2]			
						Food energy	Fat		Cholesterol
							Total	Saturated	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
			Number	- - - *Cents*	- - -	*Calories*	*G*	*G*	*Mg*
Nonfat dry milk	38.4 oz[3]	1/3 cup dry[4]	48.0	344	7	81	0.2	0.1	4
Fresh skim milk	1/2 gal	1 cup	8.0	84	10	86	.4	0.3	4
Evaporated milk	13 oz (1-2/3 cup)	1/2 cup	3.2	41	13	169	9.0	5.8	37
Whole fluid milk	1/2 gal	1 cup	8.0	105	13	150	7.7	5.1	33
Lowfat milk (2% milkfat) ..	1/2 gal	1 cup	8.0	102	13	121	4.4	2.9	18
Lowfat chocolate milk (1% milkfat)	1/2 gal	1 cup	8.0	108	14	158	2.4	1.5	7
Buttermilk	1 qt	1 cup	4.0	58	14	99	2.0	1.3	9
Natural Swiss cheese	8 oz	1 oz	8.0	141	18	107	7.4	5.0	26
Grated Parmesan cheese	8 oz	3/4 oz	10.7	202	19	97	6.1	4.1	16
Plain lowfat yogurt	8 oz	5-1/2 oz	1.5	29	19	99	2.3	1.6	10
Process cheese food	1 lb	1-3/4 oz	9.1	197	22	163	11.5	7.7	32
Cheese spread	2 lb	1-7/8 oz	17.1	382	22	154	10.7	7.1	30
Mozzarella cheese (part skim)	1 lb	1-1/2 oz	10.7	239	22	108	6.4	4.3	24
Process American cheese ...	1 lb	1-2/3 oz	9.6	213	22	177	14.0	9.3	45
Natural Cheddar cheese	1 lb	1-1/2 oz	10.7	255	24	171	13.4	9.0	45
Lowfat, fruit-flavored yogurt	8 oz	6 oz	1.3	31	24	179	2.3	1.5	9
Cheese spread	1-lb jar	1-7/8 oz	8.5	277	27	154	10.7	7.1	30
Ice milk	1/2 gal	1-2/3 cup	4.8	146	30	307	8.9	5.9	30
Half-and-half	1 pt	1-1/8 cup	1.8	55	31	354	29.7	19.5	100
Ice cream	1/2 gal	1-2/3 cup	4.8	189	39	449	22.7	14.9	98
Sour cream	16 oz	1-1/8 cup	1.8	89	49	555	51.5	33.8	115
Natural blue cheese	4 oz	2 oz	2.0	100	50	200	15.5	10.6	42
Table cream	1/2 pt	1-1/4 cup	.8	49	61	586	54.9	36.1	199
Cottage cheese, creamed ...	2 lb	1 lb	2.0	171	86	469	19.4	12.9	68
Lowfat cottage cheese (1% milkfat)	1 lb	1 lb	1.0	90	90	328	4.4	2.9	20
Cream cheese	8 oz	13 oz	.6	82	137	1,287	121.9	81.0	403

[1]Prices of store brand or least costly brand from 3 Washington, D.C., area supermarkets, January 1980.
[2]From Agriculture Handbook 8-1, "Composition of foods--dairy and egg products... raw, processed, prepared," rev. 1976.
[3]Makes 12 qt.
[4]1 cup reconstituted.

HOUSING AND COMMUNITY DEVELOPMENT—RECENT REPORTS AND STATISTICS

Pockets of Poverty: An Examination of Needs and Options

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

This report is the result of a study to examine eligibility criteria options for the Urban Development Action Grant Program (UDAG). The study was requested by the Congressional Conference Committee as a result of debate over the impact and effectiveness of the program's eligibility criteria.

The Urban Development Action Grant Program, begun by the 1977 Housing and Community Development Act, was designed to stimulate private sector development activities in distressed communities. Unlike previous programs, such as model cities and the war on poverty, the UDAG program does not focus directly on neighborhood development or poverty, but on improving local economies and job opportunities behind these problems.

The report describes the program; reviews factors affecting and defining urban economic, physical, and fiscal strain; and compares local needs, patterns of Federal assistance, and relative fiscal strain among eligible and ineligible communities. It reviews various options that could be used to aid ineligible problem areas and makes recommendations. Single copies are available free from Publications Service Center, HUD, Room B-258, 451-7th Street, SW., Washington, D.C. 20410.

Measuring Racial Discrimination in American Housing Markets: The Housing Market Practices Survey

U.S. Department of Housing and Urban Development
Office of Policy Development and Research

This is the first formal report of a nationwide study of discrimination against blacks in the sale and rental of housing. The data were collected by the National Committee Against Discrimination in Housing, and analyses are being conducted by the U.S. Department of Housing and Urban Development staff. Discrimination is studied using several measures for both the rental and the sales markets. The study also examines discrimination with respect to geographical area. Future analyses will focus on factors associated with discrimination, the impact of enforcement activities, rental and real estate market practices, and methodological issues. Single copies are available free from HUD USER, P.O. Box 280, Germantown, Md. 20767.

Occasional Papers in Housing and Community Affairs—Volume 4

U.S. Department of Housing and Urban Development
Office of Policy Development and Research

This issue focuses on the Nation's inner cities, their unique characteristics, and the economic and political issues involved. One section examines policy issues and priorities for urban America and another section analyzes trends in urban areas, including population movement, urban economic decentralization, shelter and neighborhoods, and fiscal and administrative problems. A chapter focusing on families examines demographic trends affecting the nature of inner city populations, the demographic and economic characteristics of urban families, and implications. A final section summarizes the issues toward a national urban policy. Single copies are available free from HUD USER, P.O. Box 280, Germantown, Md. 20767.

How Well Are We Housed? Part 5: Rural

U.S. Department of Housing and Urban Development
Office of Policy Development and Research

A fifth report in a series of studies focusing on the adequacy of housing of particular groups of Americans has been released. The report summarizes findings based on data

from the *1976 Annual Housing Survey* and from P-20, No. 306, and P-60, No. 109, series of the 1976 *Current Population Reports,* Bureau of the Census, Department of Commerce. The report includes summary figures on who are rural households, the quality of rural housing, and economic factors related to rural housing adequacy. Single copies of the report are available free from HUD USER, P.O. Box 280, Germantown, Md. 20767.

Metropolitan Area Mortgage Rates and Terms, 1967-78

Federal Home Loan Bank Board
Office of Policy Economic Research

The Office of Policy and Economic Research of the Federal Home Loan Bank Board has released a statistical report providing new data on standard metropolitan statistical areas. The report covers terms and rates on fully amortized, conventional mortgage loans used to finance purchases of existing, nonfarm, single-family dwellings. Continuous and consistent data of this nature, which should aid in regional housing finance research, have not previously been available. This report, Research Working Paper No. 87, is available free from the Office of Policy and Economic Research, Federal Home Loan Bank Board, 1700 G Street, NW., Washington, D.C. 20552.

Insurance Redlining: A Guide for Action

U.S. Department of Housing and Urban Development
Office of Neighborhood, Voluntary Associations, and Consumer Protection

This report defines insurance redlining, gives examples of its practice, and provides a glossary of insurance terms. In three chapters focusing on local, State, and Federal strategies, methods of combating the problem and legislative measures are discussed. Information from the Office of Neighborhoods, Voluntary Associations, and Consumer Protection-sponsored forum is also included. Single copies are available free from Publications Service Center, HUD, Room B-258, 451-7th Street, SW., Washington, D.C. 20410.

Energy-Wise Homebuyer—A Guide to Selecting an Energy Efficient Home

U.S. Department of Housing and Urban Development
Office of Policy Development and Research

A home-buying guide for energy-conscious consumers, this booklet helps purchasers of both new and existing homes to assess the energy efficiency of a structure and enhance the home's features to improve energy conservation. Consumers learn the appropriateness of 12 energy-related features for their specific climate, home type, and fuel needs. Detailed checklists, additional information on energy-saving maintenance, low- and moderate-priced improvements to enhance energy conservation, and a detailed reference list of home energy-efficiency features are also included. A glossary of terms, a bibliography, and an index complete the booklet. Single copies are available free from HUD USER, P.O. Box 280, Germantown, Md. 20767.

Characteristics of New Housing: 1978

U.S. Department of Commerce
Bureau of the Census

According to statistics released jointly by the U.S. Department of Housing and Urban Development and the Bureau of the Census of the U.S. Department of Commerce, new one-family houses completed during 1978 tended to be larger and contain more amenities than those completed in 1977. Of the estimated 1,369,000 houses completed in 1978, 54 percent had 1,600 or more square feet of living area compared with 51 percent of the 1,258,000 houses completed in 1977. In 1978, 58 percent of the new one-family homes had central air-conditioning compared with 54 percent in 1977. Seventy-three percent of new houses completed had two or more bathrooms compared with 69 percent of those completed during 1977. New houses having at least one fireplace increased from 61 to 64 percent between 1977 and 1978.

The average sales price of new one-family houses sold in 1978 was $62,500 compared with $54,200 in 1977. The average price per

square foot of houses sold in 1978 reporting such a figure was $28.50 compared with $25.35 in 1977. The price index of houses sold in the United States rose from 159.6 in 1977 to 182.1 in 1978 (1972 = 100).

The report includes chapters on the characteristics of single-family and multifamily housing completed during 1978, single-family houses sold during 1978, and contractor-built houses started. Single copies are for sale at $2.25 from Subscriber Services Section, Room 1121, Building 4, Bureau of the Census, Washington, D.C. 20233. Ask for Construction Report No. C25-78-13.

Reducing the Development Costs of Housing: Actions for State and Local Governments

U.S. Department of Housing and Urban Development
Office of Policy Development and Research

This is a comprehensive discussion of the issues and opportunities relating to land development costs. It includes five commissioned papers by authorities in the field, the text of speeches presented at a conference of nationally prominent officials, recommendations to reduce land development costs, and an annotated bibliography. Single copies are available free from HUD USER, P.O. Box 280, Germantown, Md. 20767.

Housing Justice in Small Claims Courts

American Bar Association
Division of Public Service Activities

This report, funded by the Department of Housing and Urban Development, examines the way small claims courts deal with housing disputes and suggests steps that can be taken to avoid or reduce landlord-tenant friction. Copies of the *report* are available for $6 from the National Center for State Courts, 300 Newport Avenue, Williamsburg, Va. 23185. Copies of the *executive summary* of the report are available free from HUD USER, P.O. Box 280, Germantown, Md. 20767.

Deposit Interest Rate Ceilings and Housing Credit—The Report of the President's Inter-Agency Task Force on Regulation Q

U.S. Department of the Treasury

This report represents the synthesis of extensive background research, deliberations, conclusions, and recommendations of the Inter-Agency Task Force on Deposit Interest Rate Ceilings and Housing Credit. Also known as the Regulation Q Task Force, the group, established in 1978, was comprised of representatives from major Government executive branch and regulatory agencies. The mission of the Task Force was to examine the system of deposit interest rate controls and its effect on housing, financial institutions, consumers, and the economy as a whole.

The Task Force focused on the objectives of establishing and maintaining mortgage credit availability, financial institution stability, equality to small savers, and financial market efficiency. In light of these concerns, recommendations include a 5- to 10-year transition period to free market rates, interest-bearing transaction account authority for all federally chartered or insured depository institutions, and authorization for all federally chartered savings institutions to offer variable rate mortgages and to invest up to 10 percent of their assets in consumer loans.

In addition to a summary of the findings and recommendations of the Task Force, the report provides a history of the current deposit interest rate control system and analysis of the interrelationship of interest rate ceilings, disintermediation, and the flow of funds to housing. The development of public programs, especially the secondary mortgage market, as an outgrowth of disintermediation and housing cycles is traced. The impact of rate ceilings and disintermediation on the financial system is examined, as are the liability and asset structures of thrift institutions and alternative policy effects.

This report is available for $6 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Ask for GPO No. 041-001-00188-3.

HUD USER — A NEW INFORMATION SERVICE

The Office of Policy Development and Research of the Department of Housing and Urban Development (HUD) has established a computer-based information service, HUD USER, designed to improve dissemination of the results of HUD-sponsored research. This service includes summaries of research results, special brochures and announcements, a document distribution service, personalized literature searches from the HUD USER data base, periodic bulletins announcing reports, and a semiannual annotated compendium of HUD-sponsored research results. The first two compendiums have been released and provide over 2,000 total abstracts arranged by subject, bibliographic information, and details on document availability and ordering instructions. Requests for information within the research scope are answered via customized, annotated bibliographic literature searches primarily from the HUD USER data base.

Information and reference requests may be initiated by calling or writing to HUD USER, P.O. Box 280, Germantown, Md. 20767, (301) 428-3105.

NUTRIENT CONTENT OF THE NATIONAL FOOD SUPPLY

"Nutrient content of the national food supply," an article in the Winter 1980 issue of *National Food Review,* NFS-9, by Ruth Marston and Betty B. Peterkin, reports higher levels in 1979 than in previous years for food energy and most nutrients in the Nation's food supply. Excepted nutrients were vitamin B_{12}, which declined, and protein, iron, niacin, and vitamin A value, which remained the same. Tables show increases of 3 percent for fat and 1 percent for carbohydrate, which raised the level of available food energy to 3,500 calories per capita per day, the highest since the beginning of the century. An analysis of data points out that increased use of pork, shortening, salad and cooking oils, and poultry contributed to the higher level for fat. Greater use of corn syrup, especially high-fructose corn syrup, which is popular as a sweetener in beverages, accounted for the higher level of carbohydrate. However, even though refined sugar has declined in use since the early 1970's, it remains the major sweetener in the U.S. food supply.

FARM POPULATION OF THE UNITED STATES: 1978

Based on the new definition of a farm, 6.5 million persons, on an average, were living on farms in rural areas in April 1978, representing 3 percent of the total resident U.S. population. This compares with an average of 8.0 million people or 3.7 percent of the U.S. population using the old definition of a farm. The new definition was adopted for the 1974 Census of Agriculture and is now being used in various surveys of the Bureau of the Census and the Department of Agriculture. Under the new definition, the farm population consists of all persons living in rural territory on places that in the reporting year had, or normally would have had, sales of agricultural products of $1,000 or more. The previous definition, in use since 1960, defined farms as places of 10 acres or more if at least $50 worth of agricultural products were sold in the reporting year, and places of under 10 acres if at least $250 worth of agricultural products were sold.

The farm share of the total U.S. population has declined steadily since 1920, when 30 percent of the Nation's population resided on farms. The farm population (using the old definition) in 1978, however, was not significantly different from the farm population in 1977, possibly signaling an end to the long-term decline in the farm population.

In contrast to the nonfarm population, the farm population has a higher proportion of whites (93.3 percent compared with 86.4 percent), a higher median age (33.8 years compared with 29.5 years), and a larger proportion of males (52 percent compared with 48 percent). Farm residents, as a whole, have a higher level of labor force participation than nonfarm residents (approximately 63 percent compared with 61 percent). Farm men showed the highest labor force participation (81.4 percent compared with 74.9 percent for nonfarm men), with farm women less likely to be either employed or looking for work than nonfarm women (42.9 percent compared with 48.5 percent). Of those in the labor force, the rate of unemployment was lower for the farm population (2.2 percent) than for the nonfarm population (6.5 percent). Farm residents had a lower median income in 1977 ($12,235) than nonfarm residents ($16,126).

The number of people employed solely or primarily in agriculture in the United States averaged 3.6 million in 1978, with farm residents accounting for 49 percent of this number.[1] Of the approximately 1.8 million farm residents employed in agriculture, about 61 percent were self-employed workers and about 17 percent were unpaid family workers, with the remainder being wage earner and salary workers. Most farm men (69.7 percent) were classified as self-employed, whereas most farm women (56.1 percent) were classified as unpaid family workers. Although most self-employed workers and unpaid family workers are farm residents, over 75 percent of agricultural wage earner and salary workers are nonfarm residents who commute to work.

Because of the change in farm definition, approximately 1.5 million people were reclassified from farm to nonfarm residents. The racial and ethnic composition of the reclassified population closely resembled the farm population; however, the median age of the reclassified group (38.1 years) was slightly higher. The reclassified population had a slightly lower labor force participation (56.2 percent) and over 76 percent were supported primarily by off-farm work. The median family income for the reclassified population was $14,500—higher than that for the farm population.

[1]The industry category "agriculture" includes (1) farmers and farm managers, (2) farm laborers and supervisors, (3) persons employed on farms in such occupations as truck drivers, mechanics, and bookkeepers, and (4) persons engaged in certain activities other than strictly farm operation, such as cotton ginning, contract farm services, veterinary and breeding services, hatcheries, experimental stations, greenhouses, landscape gardening, tree service, trapping, hunting preserves, and kennels.

Source: U.S. Department of Commerce, Bureau of the Census, 1979, Farm population of the United States, 1978, *Current Population Reports,* Farm Population, Series P-257, No. 52.

1980 CENSUS

The Twentieth Decennial Census of Population and Housing officially began on Tuesday, April 1, 1980. By the time the census is completed in mid-1980, the Census Bureau will have counted all residents of the United States, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territories of the Pacific Islands. Census Bureau demographers project that in the 1980 census the total U.S. population will be slightly more than 222 million people. In the first census, conducted in 1790, the population was just under 4 million.

Since the first count almost two centuries ago, the constitutional purpose of the census has remained the same: To provide the basis for fair apportionment of seats in the House of Representatives. Census information is for public use, but it is available for statistical purposes only. The Federal law (Title 13 of the U.S. Code) under which the census is taken protects the public—all persons and business organizations—from unauthorized disclosure of census information. Information provided on individual census returns is inaccessible to anyone except sworn employees of the Census Bureau for the next 72 years.

The first census had only five questions and was solely concerned with obtaining a population count. Since that time both the number and scope of the census questions have greatly expanded. In 1980, most people will answer a basic 19-item questionnaire. A longer version, which has 46 additional questions, will be answered by about one out of five randomly chosen households. Census questions seek such information as age, race, sex, marital status, type of housing unit, education, and occupation. The questions have survived years of scrutiny and congressional review.

The 1980 census will differ from any previous census in that more data will be collected. New questions in 1980 will supply more statistical information about geographic areas, racial and ethnic origin, national energy usage, and commuting patterns. Housing is an important aspect of the 1980 census; more than half the 1980 questions asked concern the Nation's housing units, their condition, value, energy usage, and maintenance costs.

Planning began in the early seventies for the 1980 census. A massive public information campaign was undertaken to make the public more aware of the census and to insure participation. The Bureau enlisted the aid of citizens, businesses, local governments, and the media to encourage public cooperation. Emphasis was placed on an accurate count as census findings have an increasingly important role in American society today.

Information provided by the census concerning social and economic characteristics of the Nation will be used extensively by both the private and the public sectors. Census figures are used—

- To reapportion the House of Representatives, redistrict State legislatures, and adjust boundaries in municipal election areas.
- To develop a comprehensive statistical picture of the country.
- To assess demographic trends and document the changes that Americans have undergone over the past decade.
- To measure changes in population distribution by age, race, ethnic origin, and in other ways.
- To help plan and implement programs.
- To provide the basis for decisions as to how billions of dollars will be spent annually.

Of the changes that the figures are expected to reveal, those concerning the family are rather dramatic. According to the Bureau of the Census, the 1980 census is expected to show that (1) the number of women who head families has risen nearly 50 percent since 1970 to more than 8 million; (2) the traditional family household of mother, father, and one or more children now accounts for less than a third of the Nation's households, the lowest percentage ever; (3) both husband and wife have earned income in about one-half of the 48 million husband-wife families in the United States, a new high; and (4) the

number of unmarried couples sharing a household has more than doubled in 10 years.

Although real median family income in 1980 is expected to be higher than in 1970, the increase is not expected to be anywhere near the 34 percent increase between 1960 and 1970. Economic sluggishness, increase in numbers of single-parent families who tend to have a lower average income, and changing age structure and family composition are factors contributing to this trend.

A population growth of 9 percent between 1970 and 1980 is projected, the smallest increase of any 10-year period since the first census in 1790, with the exception of the 1940 census.

In numbers, Census Bureau demographers are projecting a total of 79 million households in 1980, 15 million more than in 1970. The number of housing units is expected to have increased by more than 20 percent over the past decade.

State population counts must be reported to the President by January 1, 1981, and detailed population counts for cities, counties, and other communities must be made available to each State legislature by April 1, 1981.

Source: U.S. Department of Commerce, Bureau of the Census, (no date), 1980 census information kit.

NATIONAL CONSUMER COOPERATIVE BANK

Consumer cooperatives, such as food, housing, health, and credit cooperatives, will receive new support under the National Consumer Cooperative Bank Act, Public Law 95-351. The law provides financial and technical assistance to new and existing consumer cooperatives by establishing (1) the National Consumer Cooperative Bank and (2) the Office of Self-Help Development and Technical Assistance. The Bank is a mixed ownership Government corporation with all powers and rights of an ordinary banking institution. The Office provides services for cooperatives, particularly those that serve the needs of low-income persons.

The Bank makes loans at market-interest rates to cooperatives. To be eligible, an organization must be chartered or operated on a cooperative, nonprofit basis to produce or furnish goods, services, or facilities for its members as consumers or be an organization entirely owned and controlled by such cooperatives. Producer cooperatives are eligible, but loans to producer cooperatives may not exceed 10 percent of the Bank's gross assets. Loans to housing cooperatives after October 1, 1983, are limited to 30 percent of the Bank's gross assets. Of the loans outstanding at the end of each year, 35 percent must be to low-income cooperatives. Membership in borrower organizations must be available without social, political, race, religious, age, sex, or marital status discrimination.

The Office for Self-Help Development and Technical Assistance is a source of loans for cooperatives either that need more capital than they can get from a Bank loan or that serve low-income persons. The cooperatives must show they can repay the capital investment advance within 30 years.

The Office also provides information and services concerning the organization, financing, and management of cooperatives. It may offer such services as financial analyses and market surveys. It will develop and implement programs to train members, directors, and staff of eligible cooperatives in the operation and use of cooperatives. Additional information is available from the National Consumer Cooperative Bank, Washington, D.C. 20220.

BANKRUPTCY REFORM

The revised Bankruptcy Code, Public Law 95-598, became effective on October 1, 1979. Like past bankruptcy legislation, this legislation provides a means for consumers overburdened with debt to settle most claims against them and start a new financial existence. The major changes affecting consumers filing for straight bankruptcy[1] is the establishment of Federal exemptions. Before current legislation, exemptions were determined by each State and thus varied depending on the debtor's residence. In an effort to minimize the variability between State laws, the revised code liberalizes bankruptcy proceedings for citizens of States with stringent legislation. Although the code established Federal exemptions, it is not mandatory that all States honor these exemptions. The States of Virginia, Ohio, and Florida chose not to recognize the Federal exemptions. In States honoring the Federal exemptions, citizens may choose to abide by either the Federal or the State exemptions.

According to the new Federal law, a debtor and/or his dependents when filing for bankruptcy are entitled to keep—

- $7,500 worth of equity in a home (commonly referred to as the homestead exemption).
- A motor vehicle worth up to $1,200.
- Items of household furnishings, goods, wearing apparel, appliances, books, animals, crops, or musical instruments worth up to $200 each.
- Jewelry worth up to $500.
- Other property worth up to $400 (plus any unused portion of the homestead exemption).
- Implements, professional books, or tools of the trade worth up to $750.
- Dividends, interest, or loan value accrued on any unmatured life insurance contract worth up to $4,000.
- Any unmatured life insurance contracts.
- Professionally prescribed health aids.
- Income from social security, unemployment, disability, public assistance benefits, alimony, and child support payments.

These exemptions are valid only when the debtor owns the property outright. If the property is not owned outright, the court-appointed trustee decides whether it is best to liquidate the property or to abandon the property to the creditor. For example, if a debtor's automobile was used as collateral for a bank loan, the automobile would not qualify as an exemption. Either the car would be sold to gain cash to pay the bank, or the bank would assume possession of the car.

If the value of any exempt property is in excess of the specified exemption, this item is sold by the court-appointed trustee; the debtor keeps the sum mandated by the exemption and the remainder is distributed to his creditors. When a husband and wife file jointly for bankruptcy, the exemption dollar limits are doubled.

Once a debtor files for bankruptcy (referred to as "liquidation" in the revised code), all of his nonexempt property is turned over to the bankruptcy court. This property is then liquidated and the resulting money is distributed to the debtor's creditors. Although a bankruptcy judgment relieves a debtor of most debts, it will not discharge all debts. Debts that cannot be discharged as a result of a bankruptcy judgment include back taxes; debts for goods and services received under false pretenses; debts that the debtor failed to acknowledge when filing for bankruptcy; debts due to fraud, embezzlement, or larceny; debts due to the willful destruction or malicious injury to person or property; educational loans; government-imposed fines or penalties;

[1]The Bankruptcy Code provides consumers with two forms of debt resolution. Straight bankruptcy, chapter 7 of the code, requires liquidation of the debtor's assets and discharges him of debt. The Wage Earner Plan, chapter 13 of the code, allows a debtor to keep his assets while paying off his debts over a period of time under the protection of the court.

and alimony and child support. Additionally, a creditor may petition the bankruptcy court not to discharge a debt owed them. If the court decides in the creditor's favor, the debtor remains responsible for the debt.

For more information concerning the bankruptcy process, contact a lawyer, a credit counseling service, or the Administrative Office of the United States Courts, Division of Bankruptcy, Washington, D.C. 20544.

Sources: Changing Times, 1979, The new rules about bankruptcy, 33(5): 31-32, The Kiplinger Washington Editors, Inc., Editors Park, Md.; Everybody's Money, 1979, Bankrupt!, winter issue, 19(4), Credit Union National Association, Waterloo, Wis.; Administrative Office of the United States Courts, Division of Bankruptcy, 1979, Some general information concerning bankruptcy, fact sheet, 8 pp.

CORRECTION

In the Spring 1980 *Family Economics Review* article "Nutrient Consumption Patterns of Individuals, 1977 and 1965" (Eleanor M. Pao, pp. 16-20), nutrient values given for infants in the 1977 survey were incorrect. Breast-fed infants were inadvertently included in the computations. Corrections are as follows:

p. 16, col. 2, **Caloric Intake,**
par. 1, line 4—17 percent, instead of 34 percent.

p. 17, col. 1, **Protein, Fat, and Carbohydrate Intakes,**
par. 1, line 7—25 percent, instead of 40 percent.
par. 2, line 2—29 grams, instead of 25 grams.
" col. 2, par. 4, line 5—25 percent, instead of 45 percent.

p. 18, col. 1, par. 1, line 5—35 percent, instead of 29 percent.
" col. 1, par. 2, line 10—8 percent, instead of 25 percent.
" col. 2, **Mineral Intakes,**
par. 1, line 9—20 percent, instead of 40 percent.

p. 19, col. 2, **Vitamin Intakes,**
par. 1, line 6—23 percent, instead of 35 percent.

p. 20, col. 1, par. 2, line 3—12 percent, instead of 30 percent.

SOME NEW USDA PUBLICATIONS

(Please give your ZIP code in your return address when you order these.)

The following are for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402:

- COMPOSITION OF FOODS: SOUPS, SAUCES, AND GRAVIES; RAW PROCESSED, PREPARED. AH 8-6. Revised February 1980. $7.00.
- WHAT'S TO EAT? AND OTHER QUESTIONS KIDS ASK ABOUT FOOD. 1979 YEARBOOK OF AGRICULTURE. $4.50.

Single copies of the following are available free from the U.S. Department of Agriculture. Please address your request to the office indicated:

From Economics, Statistics, and Cooperatives Service, Publications Unit, Room 0054, South Building, Washington, D.C. 20250:

- HEALTH CARE IN RURAL AMERICA. AB 428. July 1979.
- STRUCTURE ISSUES OF AMERICAN AGRICULTURE. AER 438. November 1979.
- ANOTHER REVOLUTION IN U.S. FARMING? AER 441. December 1979.
- PROGRESS TOWARD ELIMINATING HUNGER IN AMERICA. AER 446. January 1980.
- INCOME GROWTH IN NONMETRO AMERICA, 1968-75. RDRR 14. August 1979.
- EFFECTS OF GEOGRAPHIC COST OF LIVING ADJUSTMENTS ON WELFARE BENEFITS. RDRR 16. December 1979.

From Food and Nutrition Service, Information Division, Washington, D.C. 20250:

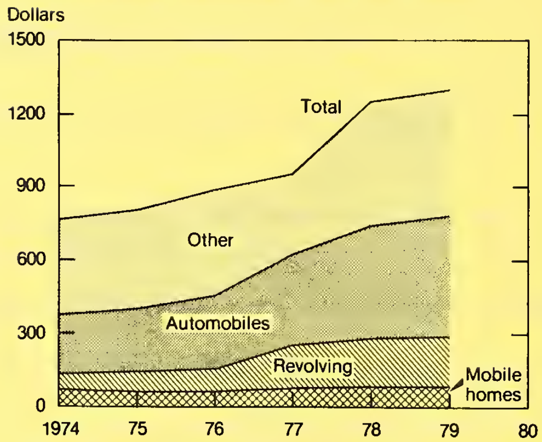
- CHARACTERISTICS OF FOOD STAMP HOUSEHOLDS—FEBRUARY 1978. FNS-204. February 1980.

County Extension Staff: When ordering publications use Extension Publications Shipping Order Form ES-91A and follow instructions from your State Publications Distribution Officer.

SOME NEW USDA CHARTS

Chart 146

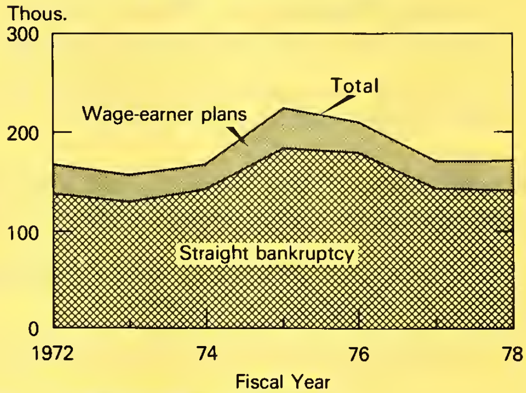
Consumer Installment Debt per Capita



End of year data 1974-78; May data for 1979.
Source: Federal Reserve Board.

Chart 148

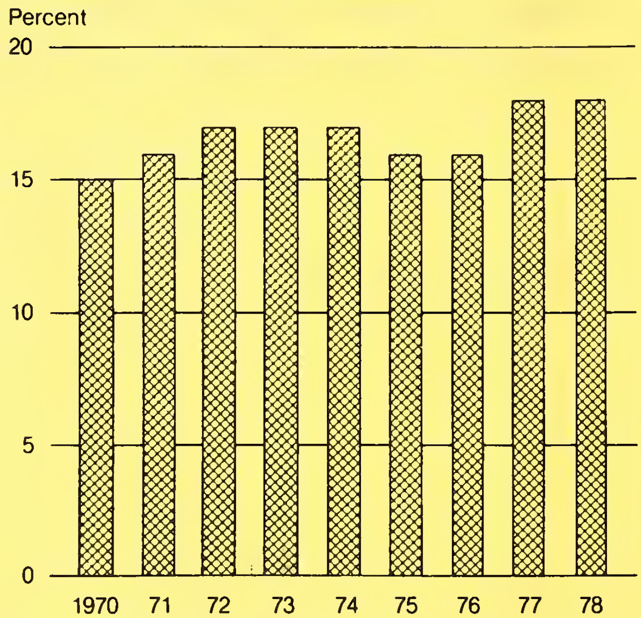
Nonbusiness Bankruptcies



Wage-Earner Plans, Chapter 13: court collected.
Source: Bankruptcy Division, U.S. Courts.

Chart 147

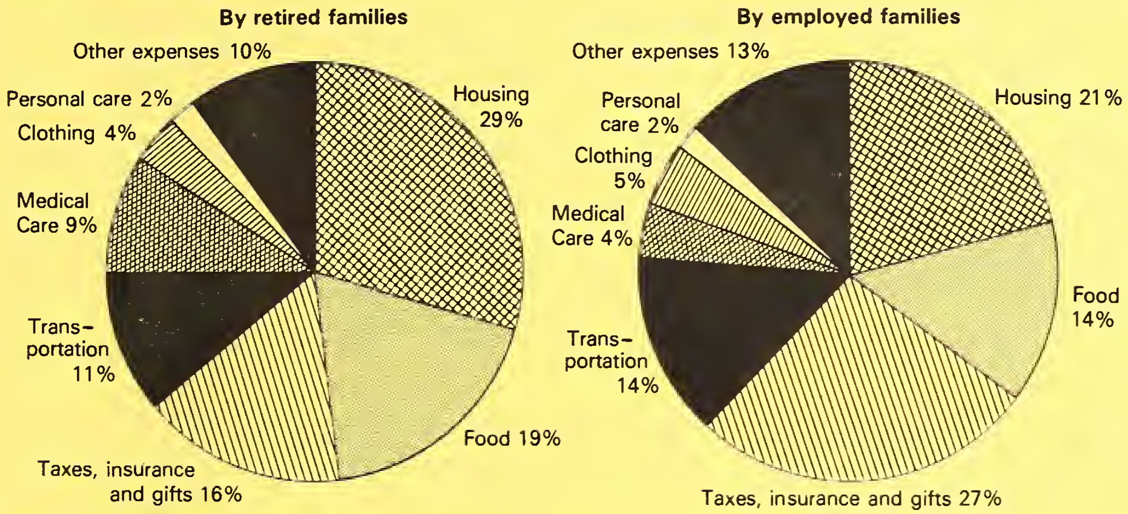
Debt as Percent of Income



U.S consumer installment debt outstanding as a percent of U.S. personal income after taxes.
Source: Federal Reserve Board.

Chart 145

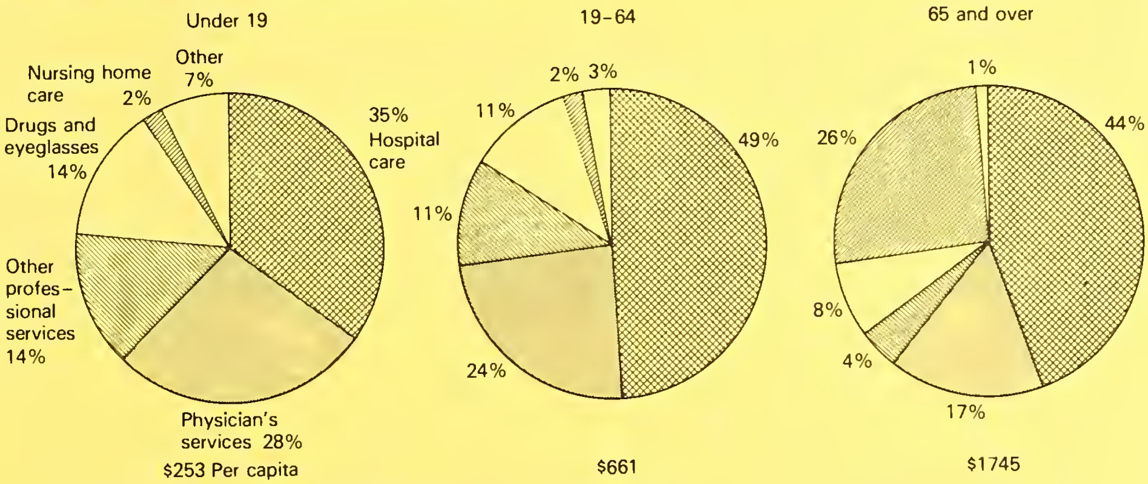
Spending for Goods and Services



Source: Bureau of Labor Statistics.

Chart 143

Personal Health Care Spending by Age



1977 fiscal year, preliminary data. Source: Social Security Administration.

Cost of food at home estimated for food plans at 4 cost levels, March 1980, U.S. average[1]

Sex-age groups	Cost for 1 week				Cost for 1 month			
	Thrifty plan[2]	Low-cost plan	Moderate-cost plan	Liberal plan	Thrifty plan[2]	Low-cost plan	Moderate-cost plan	Liberal plan
FAMILIES								
Family of 2:[3]								
20-54 years	$29.60	$38.50	$48.30	$57.90	$127.90	$167.10	$209.60	$250.70
55 years and over	26.40	34.20	42.50	50.70	114.70	148.70	184.30	219.70
Family of 4:								
Couple, 20-54 years and children--								
1-2 and 3-5 years	41.70	53.70	67.00	80.30	180.50	232.90	290.70	347.70
6-8 and 9-11 years	50.30	64.70	81.30	97.40	217.50	281.00	352.60	421.80
INDIVIDUALS[4]								
Child:								
7 months to 1 year	5.90	7.20	8.80	10.40	25.80	31.30	38.20	45.10
1-2 years	6.70	8.50	10.50	12.50	29.00	36.90	45.50	54.10
3-5 years	8.10	10.20	12.60	15.20	35.20	44.10	54.70	65.70
6-8 years	10.40	13.20	16.60	19.90	44.90	57.40	72.00	86.10
9-11 years	13.00	16.50	20.80	24.90	56.30	71.70	90.10	107.80
Male:								
12-14 years	13.90	17.60	22.10	26.40	60.10	76.30	95.70	114.40
15-19 years	15.30	19.50	24.50	29.40	66.10	84.60	106.00	127.20
20-54 years	14.80	19.30	24.40	29.30	64.10	83.80	105.80	127.10
55 years and over	13.10	17.00	21.20	25.40	57.00	73.90	91.90	110.20
Female:								
12-19 years	12.40	15.80	19.50	23.30	53.60	68.30	84.70	100.90
20-54 years	12.10	15.70	19.50	23.30	52.20	68.10	84.70	100.80
55 years and over	10.90	14.10	17.40	20.70	47.30	61.30	75.60	89.50
Pregnant	15.20	19.40	23.90	28.30	65.80	84.10	103.50	122.80
Nursing	16.10	20.60	25.60	30.40	69.80	89.20	111.00	131.60

[1]Assumes that food for all meals and snacks is purchased at the store and prepared at home. Estimates for each plan were computed from quantities of foods published in the Winter 1976 (thrifty plan) and Winter 1975 (low-cost, moderate-cost, and liberal plans) issues of Family Economics Review. The costs of the food plans were first estimated using prices paid in 1965-66 by households from USDA's Household Food Consumption Survey with food costs at 4 selected levels. USDA updates these survey prices to estimate the current costs for the food plans using information from the Bureau of Labor Statistics: "Estimated Retail Food Prices by Cities" from 1965-66 to 1977 and "CPI Detailed Report," tables 3 and 9, after 1977.

[2]Coupon allotment in the Food Stamp Program based on this food plan.

[3]10 percent added for family size adjustment. See footnote 4.

[4]The costs given are for individuals in 4-person families. For individuals in other size families, the following adjustments are suggested: 1-person--add 20 percent; 2-person--add 10 percent; 3-person--add 5 percent; 5- or 6-person--subtract 5 percent; 7- or more-person--subtract 10 percent.

Cost of food at home estimated for food plans at 3 cost levels, March 1980, Northeast region[1]

Sex-age groups	Cost for 1 week			Cost for 1 month		
	Low-cost plan	Moderate-cost plan	Liberal plan	Low-cost plan	Moderate-cost plan	Liberal plan
FAMILIES						
Family of 2: [2]						
20-54 years	$40.70	$52.30	$63.30	$176.30	$226.60	$274.20
55 years and over	36.00	45.80	55.20	155.90	197.90	239.00
Family of 4:						
Couple, 20-54 years and children--						
1-2 and 3-5 years	56.60	72.20	87.40	245.00	313.00	378.70
6-8 and 9-11 years	68.20	87.60	105.90	295.80	379.60	459.20
INDIVIDUALS [3]						
Child:						
7 months to 1 year	7.30	9.20	11.00	31.80	39.90	47.50
1-2 years	8.90	11.20	13.50	38.40	48.50	58.40
3-5 years	10.70	13.50	16.40	46.30	58.50	71.00
6-8 years	13.90	17.80	21.50	60.30	77.10	93.20
9-11 years	17.30	22.30	26.90	75.20	96.50	116.70
Male:						
12-14 years	18.60	23.80	28.70	80.50	103.00	124.40
15-19 years	20.60	26.40	32.00	89.20	114.30	138.50
20-54 years	20.40	26.40	32.10	88.60	114.50	139.20
55 years and over	17.90	22.90	27.80	77.70	99.00	120.30
Female:						
12-19 years	16.50	21.00	25.20	71.50	90.90	109.30
20-54 years	16.60	21.10	25.40	71.70	91.50	110.10
55 years and over	14.80	18.70	22.40	64.00	80.90	97.00
Pregnant	20.40	25.60	30.80	88.30	111.10	133.50
Nursing	21.70	27.60	33.10	93.80	119.40	143.30

[1]Assumes that food for all meals and snacks is purchased at the store and prepared at home. Estimates for each plan were computed from quantities of foods published in the Winter 1975 issue of Family Economics Review. The costs of the food plans were first estimated using prices paid in 1965-66 by households in the Northeast from the USDA's Household Food Consumption Survey with food costs at 3 selected levels. These prices are updated by use of "Estimated Retail Food Prices by Cities" (Boston; New York, northeastern New Jersey; Philadelphia) released monthly by the Bureau of Labor Statistics.

[2]10 percent added for family size adjustment. See footnote 3.

[3]The costs given are for individuals in 4-person families. For individuals in other size families, the following adjustments are suggested: 1-person--add 20 percent; 2-person--add 10 percent; 3-person--add 5 percent; 5- or 6-person--subtract 5 percent; 7- or more-person--subtract 10 percent.

Cost of food at home estimated for food plans at 3 cost levels, March 1980, North Central region[1]

Sex-age groups	Cost for 1 week			Cost for 1 month		
	Low-cost plan	Moderate-cost plan	Liberal plan	Low-cost plan	Moderate-cost plan	Liberal plan
FAMILIES						
Family of 2:[2]						
20-54 years	$39.70	$48.90	$59.20	$171.80	$211.90	$256.50
55 years and over	35.30	43.10	51.90	153.20	186.70	225.30
Family of 4:						
Couple, 20-54 years and children--						
1-2 and 3-5 years	55.50	68.10	82.30	240.40	295.30	356.70
6-8 and 9-11 years	67.10	82.80	100.00	290.60	358.70	433.70
INDIVIDUALS[3]						
Child:						
7 months to 1 year	7.50	9.00	10.70	32.50	39.10	46.20
1-2 years	8.80	10.70	12.80	38.30	46.60	55.60
3-5 years	10.60	12.90	15.70	45.90	56.10	67.90
6-8 years	13.80	17.00	20.50	59.80	73.70	89.00
9-11 years	17.20	21.30	25.70	74.60	92.40	111.50
Male:						
12-14 years	18.30	22.60	27.30	79.40	97.90	118.10
15-19 years	20.20	25.00	30.20	87.60	108.10	131.00
20-54 years	19.90	24.70	30.00	86.00	106.90	129.90
55 years and over	17.50	21.50	26.00	76.00	93.00	112.90
Female:						
12-19 years	16.40	20.00	24.00	71.00	86.60	104.10
20-54 years	16.20	19.80	23.80	70.20	85.70	103.30
55 years and over	14.60	17.70	21.20	63.30	76.70	91.90
Pregnant	20.00	24.20	29.00	86.70	104.90	125.90
Nursing	21.20	26.00	31.10	92.00	112.50	134.90

[1]Assumes that food for all meals and snacks is purchased at the store and prepared at home. Estimates for each plan were computed from quantities of foods published in the Winter 1975 issue of Family Economics Review. The costs of the food plans were first estimated using prices paid in 1965-66 by households in the North Central Region from the USDA's Household Food Consumption Survey with food costs at 3 selected levels. These prices are updated by use of "Estimated Retail Food Prices by Cities" (Chicago, Cleveland, Detroit, St. Louis) released monthly by the Bureau of Labor Statistics.

[2]10 percent added for family size adjustment. See footnote 3.

[3]The costs given are for individuals in 4-person families. For individuals in other size families, the following adjustments are suggested: 1-person--add 20 percent; 2-person--add 10 percent; 3-person--add 5 percent; 5- or 6-person--subtract 5 percent; 7- or more-person--subtract 10 percent.

Cost of food at home estimated for food plans at 3 cost levels, March 1980, Southern region[1]

Sex-age groups	Cost for 1 week			Cost for 1 month		
	Low-cost plan	Moderate-cost plan	Liberal plan	Low-cost plan	Moderate-cost plan	Liberal plan
FAMILIES						
Family of 2: [2]						
20-54 years	$38.10	$47.60	$56.80	$164.90	$206.10	$246.40
55 years and over	33.70	41.60	49.50	146.10	180.10	214.50
Family of 4:						
Couple, 20-54 years and children--						
1-2 and 3-5 years	53.00	66.00	78.70	229.70	285.80	341.30
6-8 and 9-11 years	64.10	80.10	95.50	277.60	347.00	414.40
INDIVIDUALS [3]						
Child:						
7 months to 1 year	7.10	8.70	10.20	30.80	37.60	44.00
1-2 years	8.40	10.30	12.20	36.30	44.60	52.90
3-5 years	10.00	12.40	14.90	43.50	53.80	64.40
6-8 years	13.10	16.30	19.50	56.70	70.80	84.50
9-11 years	16.40	20.50	24.40	71.00	88.80	105.90
Male:						
12-14 years	17.50	21.80	26.00	75.80	94.40	112.70
15-19 years	19.40	24.20	29.00	84.10	104.80	125.50
20-54 years	19.00	24.00	28.70	82.50	103.80	124.60
55 years and over	16.70	20.70	24.80	72.40	89.60	107.40
Female:						
12-19 years	15.80	19.40	23.10	68.30	84.10	99.90
20-54 years	15.60	19.30	22.90	67.40	83.60	99.40
55 years and over	13.90	17.10	20.20	60.40	74.10	87.60
Pregnant	19.20	23.60	28.00	83.30	102.40	121.30
Nursing	20.40	25.30	30.00	88.40	109.60	129.90

[1]Assumes that food for all meals and snacks is purchased at the store and prepared at home. Estimates for each plan were computed from quantities of foods published in the Winter 1975 issue of Family Economics Review. The costs of the food plans were first estimated using prices paid in 1965-66 by households in the South from the USDA's Household Food Consumption Survey with food costs at 3 selected levels. These prices are updated by use of "Estimated Retail Food Prices by Cities" (Atlanta; Baltimore; Washington, D.C.; Maryland; Virginia) released monthly by the Bureau of Labor Statistics.

[2]10 percent added for family size adjustment. See footnote 3.

[3]The costs given are for individuals in 4-person families. For individuals in other size families, the following adjustments are suggested: 1-person--add 20 percent; 2-person--add 10 percent; 3-person--add 5 percent; 5- or 6-person--subtract 5 percent; 7- or more-person--subtract 10 percent.

Cost of food at home estimated for food plans at 3 cost levels, March 1980, Western region[1]

Sex-age groups	Cost for 1 week			Cost for 1 month		
	Low-cost plan	Moderate-cost plan	Liberal plan	Low-cost plan	Moderate-cost plan	Liberal plan
FAMILIES						
Family of 2:[2]						
20-54 years	$39.70	$49.90	$60.30	$172.30	$216.50	$261.10
55 years and over	35.40	43.80	52.70	153.20	189.80	228.60
Family of 4:						
Couple, 20-54 years and children--						
1-2 and 3-5 years	55.60	69.30	84.00	241.00	300.50	363.70
6-8 and 9-11 years	67.20	84.20	102.10	291.40	365.20	442.00
INDIVIDUALS[3]						
Child:						
7 months to 1 year	7.40	8.90	10.90	32.10	38.80	47.30
1-2 years	8.90	10.80	13.20	38.40	47.00	57.00
3-5 years	10.60	13.10	16.00	46.00	56.70	69.30
6-8 years	13.80	17.20	21.00	59.90	74.70	90.80
9-11 years	17.30	21.60	26.30	74.90	93.70	113.80
Male:						
12-14 years	18.40	23.00	27.90	79.60	99.50	120.70
15-19 years	20.30	25.40	30.80	87.80	109.80	133.60
20-54 years	19.90	25.20	30.50	86.40	109.20	132.20
55 years and over	17.60	21.80	26.40	76.10	94.60	114.50
Female:						
12-19 years	16.40	20.30	24.60	71.20	88.10	106.50
20-54 years	16.20	20.20	24.30	70.20	87.60	105.20
55 years and over	14.60	18.00	21.50	63.20	77.90	93.30
Pregnant	20.00	24.70	29.60	86.60	107.00	128.20
Nursing	21.20	26.50	31.70	91.90	114.70	137.40

[1]Assumes that food for all meals and snacks is purchased at the store and prepared at home. Estimates for each plan were computed from quantities of foods published in the Winter 1975 issue of Family Economics Review. The costs of the food plans were first estimated using prices paid in 1965-66 by households in the West from the USDA's Household Food Consumption Survey with food costs at 3 selected levels. These prices are updated by use of "Estimated Retail Food Prices by Cities" (Los Angeles, San Francisco, Oakland) released monthly by the Bureau of Labor Statistics.

[2]10 percent added for family size adjustment. See footnote 3.

[3]The costs given are for individuals in 4-person families. For individuals in other size families, the following adjustments are suggested: 1-person-add 20 percent; 2-person--add 10 percent; 3-person--add 5 percent; 5- or 6-person--subtract 5 percent; 7- or more-person--subtract 10 percent.

CONSUMER PRICES

Consumer Price Index for all urban consumers

(1967 = 100)

Group	Mar. 1980	Feb. 1980	Jan. 1980	Mar. 1979
All items	239.8	236.4	233.2	209.1
Food	247.3	244.9	243.8	230.4
Food at home	243.6	241.3	240.6	229.9
Food away from home	260.9	258.3	256.1	236.0
Housing	254.5	250.5	247.3	217.6
Shelter	271.6	267.2	264.0	228.0
Rent	186.6	185.6	184.1	171.3
Homeownership	302.0	296.3	292.5	248.2
Fuel and other utilities .	268.0	263.8	258.6	225.9
Fuel oil, coal, and bottled gas	553.4	539.1	514.0	339.5
Gas (piped) and electricity	284.0	278.8	273.0	244.0
Household furnishings and operation	201.3	199.0	196.9	187.4
Apparel and upkeep	176.0	171.9	171.0	164.3
Men's and boys' apparel ..	165.6	162.7	162.8	158.7
Women's and girls' apparel	155.5	151.1	151.5	151.8
Footwear	187.0	184.6	183.7	171.6
Transportation	243.7	239.6	233.5	198.1
Private	244.0	239.8	233.5	198.1
Public	232.1	229.5	226.8	191.5
Medical care	260.2	257.9	253.9	233.9
Entertainment	200.6	197.8	195.3	184.8
Other goods and services ...	208.9	208.1	206.3	192.8
Personal care	208.1	106.5	204.2	192.1

Source: U.S. Department of Labor, Bureau of Labor Statistics.

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